

usical Surprises

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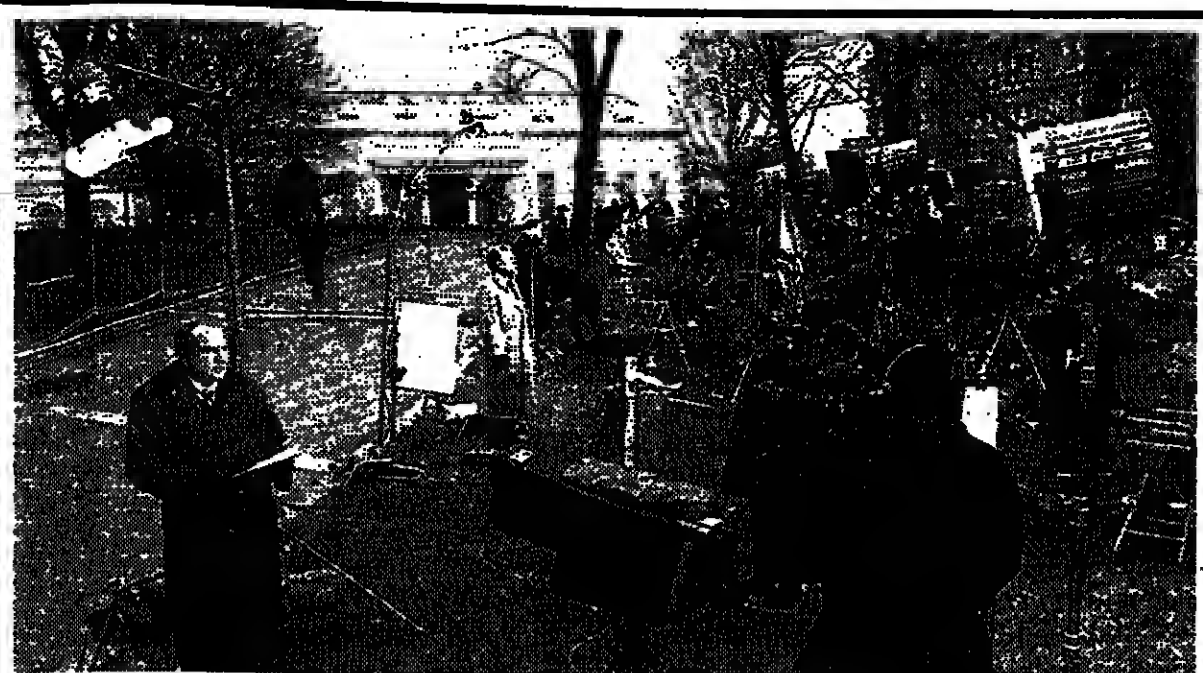
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TV crews lighting up along the West Wing driveway as the media zoomed in on the White House this week.

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William Ginsburg on TV Friday.

• Vernon Jordan Jr., who has been a constant, though largely invisible, presence in President Clinton's camp through nearly every crisis, has now come again to the aid of his friend.

• The allegations surrounding the president and Monica Lewinsky raise numerous legal questions, including the main one of whether the chief executive can be indicted.

• Even some of those observers most skeptical about the 1978 law that established independent counsels said that Kenneth Starr seemed on firm legal ground when he sought and received judicial permission to expand his inquiry into the Lewinsky episode.



Vernon Jordan giving his side.

Aides Rally Around Clinton Amid a Flurry of Subpoenas

Advisers Split on Tactics

By John F. Harris
Washington Post Service

WASHINGTON — A tense and occasionally heated debate is under way between President Bill Clinton's political advisers and his legal team about how he should answer allegations that he had a sexual relationship with Monica Lewinsky and encouraged her to lie about it, according to sources inside and outside the White House with knowledge of the deliberations.

Even as Mr. Clinton pledged Thursday to give the public "as many answers as we can, as soon as we can" about the nature of his relationship with the 24-year-old former White House intern, Mr. Clinton's lawyers imposed a tight clamp on information.

And his advisers clashed over how soon and in what forum the president should expand on the clipped and legalistic statements he gave when the controversy first exploded into public view Wednesday.

The White House political team is increasingly fearful that Mr. Clinton's presidency is imperiled by the controversy unless he quickly rebuts the allegations with more force and thoroughness.

One White House source said Friday that it appeared likely that Mr. Clinton would not be ready for a major public appearance to explain his side of the story before the president delivers his State of the Union Message to Congress on Tuesday but that the possibility remained under active discussion.

Mr. Clinton would like to address the allegations before Tuesday, said the presidential spokesman, Michael McCurry. "But whether we can or not we don't know," he said. "We've got to assemble every answer to every question that you are all going to pounce on very quickly to ask."

The president was meeting with his cabinet on Friday to discuss the State of the Union speech and Mr. McCurry said Mr. Clinton probably would speak to them about the accusations. Although political advisers want the president to

Albright Speaks Out

By Brian Knowlton
International Herald Tribune

WASHINGTON — As Clinton administration officials sought to assure a concerned nation that they were tending to business, the former White House intern at the center of a burgeoning scandal remained in seclusion on Friday, and her attorney accused federal investigators of unfairly putting pressure on her to cooperate.

The attorney, William Ginsburg, who represents Monica Lewinsky, the 24-year-old who reportedly had an 18-month affair with President Bill Clinton, said that investigators and FBI agents had earlier questioned his client for eight hours without a lawyer present. That, he said, is "as close as you can get to a constitutional breach."

He also said the agents had threatened to involve her parents in their inquiry if she refused to cooperate.

She spoke after a federal judge indefinitely postponed a deposition by Ms. Lewinsky in the Paula Jones sexual harassment suit against Mr. Clinton. Some reports said the delay was granted because Ms. Lewinsky's lawyers were seeking to arrange immunity from prosecution.

Federal prosecutors expanded their subpoenas Friday, seeking more information from the White House about possible visits or calls involving the young woman.

Subpoenas were also issued to the U.S. mission to the United Nations on documents concerning Ms. Lewinsky.

The mission reported Wednesday that Bill Richardson, the chief U.S. representative to the United Nations, interviewed her in October and offered her a junior post in public affairs.

As part of the newly enlarged Whitewater investigation, prosecutors are seeking to determine whether she, Mr. Clinton and the lobbyist Vernon Jordan Jr., a close friend of the president's, conspired to cover up the alleged affair.

Mr. Clinton has denied having a sexual relationship with the young woman, and he and Mr. Jordan have denied that they asked her to lie under oath. In a show of support that

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See CLINTON, Page 5

Botha, Defiant As Ever, Warns Of Wrath of the White Minority

By Lynne Duke
Washington Post Service

GEORGE, South Africa — On the opening day of his unprecedented criminal case for defying the nation's Truth Commission, former President Pieter W. Botha spat fire and brimstone reminiscent of his leadership of the old apartheid state, warning that the wrath of the "tiger" within the white minority was being awakened.

Striking the racially moralistic tone that is his trademark, Mr. Botha stood before the press and enveloped himself in the discredited philosophies of apartheid, the doctrine of racial separation that was dismantled when his successor, Frederik W. de Klerk, allowed the nation's first all-race election in 1994.

"I'm not prepared to apologize," for the policies he pursued to preserve the white nation, said Mr. Botha, 82. "I only apologize for my sins before God."

He warned of the "forces of chaos, communism and socialism" — his government's characterization of the black liberation "onslaught."

Referring to the crime and misman-



A vociferous Mr. Botha on Friday.

agement that have plagued the new democracy since apartheid ended in 1994, Mr. Botha said: "I'm still concerned about the onslaught. What I prophesied came true."

Mr. Botha's remarks came after the close of a brief pretrial court appearance that marked the start of the first prosecution of an apartheid-era South African president. Mr. Botha, who erected all manner of bureaucratic and security

See BOTHA, Page 4

Inspector Sounds Alarm Over Iraqi Stonewalling

By Christopher S. Wren
New York Times Service

UNITED NATIONS, New York — The United Nations' chief weapons inspector warned the Security Council on Friday that Iraq appeared determined to withhold further information about the suspected existence of weapons of mass destruction and has tried to prevent UN inspectors from discovering the truth at sensitive sites that Saddam Hussein's regime has put off-limits.

Richard Butler, chairman of the UN Special Commission, said that if Iraq was permitted to continue obstructing his inspectors, he had grave doubts they could ever verify that Iraq has fulfilled its obligation to disarm. The commission

has a mandate from the Security Council to search out and destroy or dismantle all long-range ballistic missiles, biological, chemical and nuclear weapons, and the means to manufacture them.

[A senior UN official said Friday that he had "fantalizing information" that Iraq was now operating a secret biological weapons plant, Reuters reported from Washington.]

[Asked whether he believed Baghdad had a working plant it was keeping secret from arms inspectors, Richard Butler, head of the UN Special Commission's biological weapons team, said, "This is very likely."

[He declined to give further details,

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Richard Butler before briefing Secretary-General Kofi Annan on Friday.

Indonesia Staring Down the Abyss of Insolvency

Compiled by Our Staff From Dispatches

JAKARTA — Indonesia was pushed closer to the brink of insolvency on Friday as several international banks froze lending to the country — sending the rupiah plunging — despite the government's presentation of a revised budget plan that had been intended to reassure investors and the International Monetary Fund.

The government of President Suharto remained paralyzed over the country's deepening debt crisis as the rupiah plummeted as much as 20 percent at one point, to 15,250 to the dollar, making it virtually certain Indonesian companies will not be able to service their \$65 billion in foreign debt. The rupiah closed Friday

in Jakarta at 13,500 to the dollar. Offshore banks in Singapore and Hong Kong, fearful that Indonesia's banking system will collapse under the weight of staggering debts, are choking off the supply of U.S. dollars to the country, bankers and analysts said Friday. (Page 9)

"It's all like a pack of cards: We are not supplying liquidity because we don't know how sound our counterparties are," said Andrew Fung, regional treasury economist at Standard Chartered in Singapore. "We can't provide quotes if we can't determine the exchange rate, and we can't determine the exchange rate, which is dependent on the debt."

The country's revised budget would

cut fuel subsidies and uphold IMF-backed estimates of zero economic growth and 20 percent inflation in a revised budget for the year to March 31, 1999.

But the markets were unimpressed by the budget presented Friday by Finance Minister Mar'ie Mohammad in a speech to Parliament.

Mr. Mar'ie put the budget at 147.22 trillion rupiah, 46 percent higher than the previous year, and assumed an average exchange rate of 5,000 rupiah per dollar.

At the assumed rate, the outlay would be equivalent to \$29.44 billion.

The plunge in the rupiah has sent food prices soaring, driving people to hoard such staples as rice and sugar.

The government's estimate that inflation will quicken to 20 percent this year from 6.6 percent in 1996 is raising the specter of social unrest in the world's fourth-most-populous country, with 200 million people living on about 17,000 islands strung across the equator.

The rupiah's most recent decline was sparked by Mr. Suharto's announcement this week that he would accept the nomination for a seventh term in office. The 76-year-old Mr. Suharto, who has ruled Indonesia for 32 years, is Asia's longest sitting leader.

He also hinted that his protégé,

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Pope Assails U.S. Embargo As Harmful to Cuban Poor

But He Says Sanctions Don't Explain All Woes

Compiled by Our Staff From Dispatches

CAMAGUEY, Cuba — Pope John Paul II criticized the U.S. economic embargo against the Castro government on Friday, saying that such sanctions were "always deplorable because they hurt the most needy," but he also cautioned the Cuban people against using the embargo as an excuse for all their woes.

As the Pope continued a trip that gives encouragement of change to both friends and foes of the Castro government, the Vatican announced that Cuban officials had agreed to consider freeing some prisoners who had sought the Pope's intercession.

Tens of thousands of flag-waving Cubans welcomed the Pope in a broad, palm tree-lined plaza in Camaguey,

where he said the second Mass of his visit. To the right of the altar stage was a bas-relief featuring images of Fidel Castro, Ernesto (Che) Guevara and other heroes of the 1959 revolution that swept the Communists into power.

The Pope is also scheduled to celebrate outdoor Masses in Santiago de Cuba on Saturday and in Havana on Sunday.

The reference to the embargo was made in a written message delivered to a delegation of young Roman Catholics at the Mass in Camaguey. John Paul, 77, did not read it aloud.

The papal spokesman, Joaquin Navarro-Valls, said the Pope would be more outspoken regarding the embargo in speeches in the coming days.

The Pope has long opposed all economic embargoes and has previously criticized the 35-year-old U.S. measure against Havana, aimed at forcing political change in the Communist-ruled island 145 kilometers (90 miles) from Florida.

In the message and in his spoken homily, also directed at the country's youth, the Pope urged Cubans suffering under a prolonged economic crisis to turn to faith and not give in to hopelessness or the lure of money, drugs and sex.

"What can I say to you, young people of Cuba who live under material con-

Newsstand Prices

Andorra	10.00 FF	Lebanon	11.3.000
Antilles	12.50 FF	Morocco	16 Dh
Cameroun	1.800 CFA	Qatar	10.00 QR
Egypt	DE 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1.100 CFA	Senegal	1.100 CFA
Italy	2.800 Lire	Spain	225 Ptas
Ivory Coast	1.250 CFA	Tunisia	1.250 Dh
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	\$1.20

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AGENDA

Pakistani Sentenced To Die for CIA Killings

FAIRFAX, Virginia — A judge sentenced Mir Aimal Kasi, a Pakistani citizen, to death Friday for killing two Central Intelligence Agency employees outside CIA headquarters near Washington in January 1993. Circuit Court Judge J. Howe Brown said he accepted a jury's Nov. 14 recommendation that Mr. Kasi be executed.



'PEANUTS' — That's what Yasser Arafat, speaking to reporters Friday in Washington, called an Israeli pullout offer. Page 3.

The Dollar

	Friday 8 A.M.	previous close
New York	1.8725	1.8045
DM	1.7783	1.6485
Pound	125.65	127.235
Yen	8.9535	6.045

The Dow

	Friday close	previous close
-29.59	7700.99	7730.88

S&P 500

	Friday 4 P.M.	previous close
change	957.59	963.04

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The IHT on-line: www.ihl.com

Huddled Masses Welcome, But Not if They Look Poor

Tourists Illegally Kept Out of U.S., Judge Rules

By Philip Shenon
New York Times Service

WASHINGTON — Jose Bayeux, a 24-year-old technician in Brazil, said he wanted to travel to Miami and Disney World for a vacation in 1994. He applied for a tourist visa at the U.S. Consulate in Sao Paulo, Brazil's largest city.

"Slimy looking," an American diplomat wrote on the visa form, denying Mr. Bayeux's application. "Wears jacket on shoulders wearing."

Elaine Archbans, 23, a Brazilian office worker who said she wanted to visit the United States to see the World Cup soccer championships in 1994, fared no better.

"LP!!!!!!" a diplomat wrote on her application, using the consulate's abbreviation for "looks poor." Other applicants who were denied visas were routinely labeled as "TP" (talks poor) or "LR" (looks rough).

The visa denials of hundreds of Brazilians from 1992 to 1994 are at the heart of a court battle here that has left a federal judge questioning whether the

State Department is illegally refusing to issue visas to foreigners solely because of their skin color, their ethnic background, or the way they look — down to the clothes and jewelry they wear.

The judge, Stanley Sporkin of U.S. District Court in Washington, said in a decision last month that the visa policies in Sao Paulo were clearly illegal, a ruling that could have far broader implications for the State Department since similar policies are in effect at American visa offices around the world.

The ruling was a victory for a former diplomat in the consulate, Robert Olsen, who was dismissed by the State Department in 1993 on charges he had failed to carry out his duties as a visa officer.

The visa policies "instruct visa officials to rely heavily upon factors such as physical appearance and national origin when adjudicating the applications," Judge Sporkin wrote. "The principle that government must not discriminate against particular individuals

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Greeks in Turkey: Fears Are Rising

Assaults on Eastern Orthodox Sites And Reaction of Police Stir Doubts

By Stephen Kinzer
New York Times Service

ISTANBUL — An arson attack and a killing at a holy Eastern Orthodox site in Istanbul, the second violent assault here in two months, have led senior Orthodox figures to question Turkey's commitment to protect their church.

The government has rejected all such doubts and asserted that the police are doing their best to arrest those who carry out anti-Orthodox attacks.

Only a few thousand Orthodox faithful remain in Turkey, which is predominantly Muslim though secular. But Istanbul is the seat of the Patriarchate that oversees Orthodox churches worldwide, so the position of Orthodoxy here is especially sensitive.

The debate is further tinged by the fact that many Turks equate the Orthodox faith with Greece, Turkey's main European rival, and are suspicious of Orthodox activities.

Arguments over whether Turkey adequately protects the Orthodox church have taken on a new intensity since an arson attack Jan. 12 on the shrine of St. Therapion, which houses a holy spring near the Hagia Sophia, once the mother church of Orthodoxy, later a mosque, now a museum.

After the fire was put out, Orthodox clergymen entered the shrine and concluded that eight icons, a holy book and a cross were missing.

After a search, the custodian's badly bruised body was found in the shrine's well.

At a police inquest, one witness suggested that the victim, Vasilios Haviropoulos, had hidden himself in the well and drowned.

But his son, an Orthodox priest, said the body was found with hands and feet bound, and he rejected police statements that no Muslim could have committed such an act, and that it must have been done by a Greek.

In a statement, the Orthodox Patriarchate said it was "grieving, shocked and anxious at this crime."

It predicted that the attack "will result in the further departure of our people and will weaken this sacred institution of the Ecumenical Patriarchate, the rampart of Orthodoxy

and our pious faithful."

The Greek Orthodox Archdiocese of America issued a statement in New York saying, "Americans of Orthodox background expect that their fellow Christians will be protected in accordance with established international standards of law and order."

The police commander in charge of the case, Mustafa Saglam, said Thursday that he had assigned eight detectives to work full time on the investigation. He said he was pursuing it "five times more meticulously because of its international angle."

But such assurances have not calmed all fears here.

The Greek Ambassador to Turkey, Dimitrios Nezeritis, said: "If there are efforts, they are not sufficient. I have seen no arrests, not this time and not in the past."

"This last murder was a savage one. You could argue that a thief would very easily take whatever he wanted from a 78-year-old man or whatever he was, and immobilize him. But the fact that he was brutally murdered seems to indicate to me that someone enjoyed killing him."

A spokesman for the Patriarchate, asked whether the authorities were doing all they could to protect Orthodox sites and arrest perpetrators of anti-Orthodox crimes, replied: "There are some people who care deeply and are doing what they can. But there are also large segments that could and should do a lot more."

The Foreign Ministry issued a statement conceding that a killing had been committed during the arson but rejecting assertions that security was lax or that police efforts to solve the crime were less than diligent.

The attack last week followed another assault aimed at the Orthodox community: On Dec. 2, just days after Patriarch Bartholomew returned from a trip to the United States, a bomb was thrown at the Patriarchate buildings. A deacon was seriously hurt, masonry was destroyed and windows were blown out. No one has been arrested, but city officials have instructed the police to build a watchtower to allow 24-hour surveillance of the area.



Anatoli Kornukov, who ordered the downing of the KAL flight in 1983.

Russian Who Doomed 007

New Air Chief Ordered '83 Downing of KAL Flight

The Associated Press

MOSCOW — The Russian Air Force acknowledged Friday that its new chief was the commander who ordered a pilot to shoot down a South Korean jetliner off Sakhalin Island in 1983, killing all 269 people aboard.

The destruction of KAL Flight 007 plunged U.S.-Soviet relations to a new low. The Soviet government claimed the civilian jetliner was on a spying mission and was being "used by American special services for their dirty aims."

At the time of the downing, General Anatoli Kornukov, who was appointed on Tuesday by President Boris Yeltsin as air force chief, was commander of air defenses on Sakhalin Island, which lies just north of Japan and was the site of a top-secret Soviet defense installation.

On Sept. 1, 1983, Soviet pilots spotted a KAL Boeing 747 that had strayed off course

on a route from Alaska to Seoul. The Soviets suspected the jet of spying on Sakhalin.

After a pilot fired warning shots that failed to change the airliner's course, General Kornukov ordered him to shoot down the plane, Alexander Drobishevsky, a Russian Air Force spokesman, confirmed in a telephone interview Friday.

The pilot, Gennadiy Osipovich, has previously acknowledged his involvement. He recently as 1996, he insisted that he still believed the plane was on a spy mission.

The KAL shooting was not the only controversial incident in General Kornukov's career. In 1976, a pilot serving under his command defected to Japan in his MiG-25 — the most advanced Soviet fighter jet of the time — in a windfall for the West, which was able to learn some of the Soviets' most coveted military secrets. The incident cost many military officials their jobs, but General Kornukov retained his post.

Police in Belgium Mount a Major Bank Security Operation

Reuters

BRUSSELS — Several hundred heavily armed Belgian policemen backed by helicopters mounted a major operation on Friday to ship cash that has piled up at supermarkets around the country to central bank collection points.

The money transfers, ordered by Interior Minister Johan Van de Lanotte, were needed after security van crews went on indefinite strike early this week because of the shooting deaths of three colleagues in robberies since late December.

Automated teller machines were running dry, and supermarket operators had become increasingly

concerned that violent, well-armed bandits might turn their attention from security vans to the much softer targets of store safes.

RTBF television showed policemen in body armor and wielding automatic weapons pouring from vehicles on Friday and standing guard over their colleagues as they rummaged through trolleys of cash to waiting vans and then roared off.

In several instances, the police used helicopters to transfer the cash from supermarkets to bank depositaries.

The government, bankers, security van operators and security

guards' unions have been locked in negotiations for the past two weeks after a particularly murderous dawn attack on a Brinks Ziegler van resulted in the deaths of the driver and one of the two guards.

The police said more than 80 shots, including armor piercing rounds, had been fired into the van at point blank range by a gang armed with Kalashnikov automatic rifles. The gang fled empty-handed, scattering commando tanks along the highway behind them to foil pursuit.

The attack followed a similar raid in December in which another Brinks Ziegler security guard was

shot and killed. Earlier this week, the government and bank-payment systems operators agreed to cut the charge for using a bank card to make purchases in an attempt to persuade people to switch to plastic from cash and to reduce the amount of currency in circulation.

But some commentators said that the reduction to one Belgian franc (2 U.S. cents) per transaction from five francs would have a negligible impact.

After a series of about 40 such armed attacks in 1996, nighttime security van operations were suspended and police cars escort many

van journeys. The police stepped up surveillance of security van trips late last year after a series of thefts of equipment that led them to believe that more attacks were being prepared.

Security guards are seeking extra pay for hazardous duty, better armored vans and special security containers for the money. They also want a third, armed guard to accompany all trips and more police protection.

But the police contend that with about 3,500 pack-up or drop points being serviced daily, they do not have the resources to provide cover for every van.

BRIEFLY

Baltic Meeting on Cooperation

RIGA, Latvia — Prime Minister Viktor Chernomyrdin of Russia and Chancellor Helmut Kohl of Germany met Friday with heads of other Baltic Sea states to discuss closer cooperation, crime-fighting and European Union enlargement.

"Baltic cooperation is a major independent part of the work on the creation of a new democratic, stable and truly united Europe without divisions or exemptions," Mr. Chernomyrdin said at the second Council of the Baltic Sea States.

Prominent among the economic matters discussed was the idea of linking the gas and electricity systems of the eastern and western Baltic shores. "Both in the field of pipelines and electricity grids a number of projects are being discussed that would contribute to link the countries concerned," Prime Minister Klejvi Magne Bondevik of Norway said.

The president of the European Commission, Jacques Santer, attended the meeting. Mr. Santer said he backed the organization's aims. (Reuters)

Attacks Rose in Germany in '97

BERLIN — Attacks by rightist extremists rose 10 percent in 1997 — the first increase in five years, the head of the

Office for the Protection of the Constitution said Friday. Peter Frisch, the president of the federal office, blamed unemployment — which he said had created despondency among young Germans — and a lack of awareness among youths about the Nazi era.

"We often see insecurity in the perpetrators, who are mostly very young, under 21 years old," he said in an interview with a Cologne newspaper.

The number of right-wing attacks in Germany rose significantly after unification in 1990, peaking at 2,639 in 1992. In 1996, Frisch's office recorded 781 attacks.

Far-right violence last year rose most sharply in Eastern Germany, Mr. Frisch said. He did not give figures. (AP)

A Standoff on Russia's Anthem

MOSCOW — The Communist-dominated Russian Parliament failed to adopt a measure Friday that would have reinstated the Soviet-era national anthem.

The State Duma, or lower house, voted 773 to 75 in favor of the bill, 27 votes short of the two-thirds majority needed. The measure was presented as an alternative to a bill backed by President Boris Yeltsin that would have formally approved the national symbols currently in use — the red, white and blue tricolor flag and the double-headed eagle —

and the anthem composed by Mikhail Glinka. That bill was overwhelmingly defeated. (AP)

Ciller's Spouse Denies Charges

ANKARA — The husband of former Prime Minister Tansu Ciller appeared in court on fraud charges Friday and denied falsifying documents given to a parliamentary corruption probe.

Ozer Ciller, a businessman, is accused of supplying a misleading document about a U.S. subsidiary of a company owned by the Cillers. If convicted, he could be sentenced to up to eight and one half years in prison.

A prosecution witness said the parliamentary commission had suspected that the subsidiary might have been used as a front to illegally transfer money from Turkey to the United States.

The subsidiary "wasn't making any money," so we wondered if there was money laundering going on," said the witness, Sabri Ergun, a former member of the commission.

Mr. Ciller testified that he had not seen a final Turkish-language version of the document, which omitted two sections of the original English-language copy.

"I did not see the translation and wasn't aware of anything missing," he said. (Reuters)

Group Tied to 3 Killings Says Ulster Attacks End

Reuters

BELFAST — A pro-British Protestant guerrilla group said Friday that attacks on Roman Catholics, which have fueled a crisis in Northern Ireland's peace efforts, had ended.

The Ulster Freedom Fighters, in a statement faxed to news media, did not admit to the murders of the Catholics, but it said that "republican aggression" had made what it termed "a measured military response" unavoidable.

"That action has now concluded," the statement said.

"The UFF recognizes the importance of ending the current crisis and is prepared to fulfill its responsibilities."

Only hours after the statement, a man was shot and wounded in north Belfast near the mainly Catholic Ardoyne district. The police were unable to give any more details of the attack.

The province's police chief, Ronnie Flanagan, on Thursday blamed the outlawed Ul-

ster Freedom Fighters for murdering three Catholic nationalists in recent weeks despite the group's claims that it was observing a truce.

Eight Catholics have been killed by Protestant "loyalist" hard-liners, and two Protestants have been killed by Catholic extremists in a spate of revenge attacks since Christmas.

The Irish Republican Army, the main republican group, has observed a ceasefire since July.

Protestants were suspected of having shot and seriously wounded another Catholic man in north Belfast on Thursday night. The police said the shooting appeared to be related to the revenge attacks.

Chief Flanagan's allegations prompted calls from several politicians in mainstream parties for the Ulster Freedom Fighters' political arm, the Ulster Democratic Party, to be thrown out of multiparty peace talks under way in Belfast.

The IRA's political arm, Sinn Féin, is among the eight parties in the peace negotiations, along with ministers from the British and Irish governments.

Earlier Friday, the police probing the upsurge in loyalist violence arrested nine people in two raids in Belfast related to the violence.

TRAVEL UPDATE

U.S. Revises Consular Fees

LONDON (IHT) — The United States will give a break Feb. 1 to passport seekers but increase fees for most other consular services.

Passport fees will be decreased. But visitors applying for a nonimmigrant visa will have to pay \$45, up from \$20. The fee to report the birth abroad of a U.S. citizen will go up to \$40, from \$10, and the fee for notary services will rise to \$55 from \$10. The changes are designed to reflect the actual cost of services.

Paris Transit Strike Is Set

PARIS (Reuters) — A powerful union of transport workers in the Paris area said Friday that it had called members to join a partial strike Wednesday to press demands for more staff.

The call by the RATP section of the Communist-led CGT trade union will affect buses, the Metro subway system and the suburban RER mass transit system, which together carry 9 million passengers a day.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

Europe	High	Low	High	Low	High	Low
Algeria	64	48	64	48	64	48
Amsterdam	57	47	57	47	57	47
Antwerp	57	47	57	47	57	47
Athens	64	48	64	48	64	48
Berlin	57	47	57	47	57	47
Bombay	84	74	84	74	84	74
Buenos Aires	64	48	64	48	64	48
Calcutta	84	74	84	74	84	74
Cardiff	57	47	57	47	57	47
Cairo	64	48	64	48	64	48
Chennai	84	74	84	74	84	74
Columbo	84	74	84	74	84	74
Copenhagen	57	47	57	47	57	47
Dublin	57	47	57	47	57	47
Edinburgh	57	47	57	47	57	47
Frankfurt	57	47	57	47	57	47
Geneva	57	47	57	47	57	47
Hamburg	57	47	57	47	57	47
Heidelberg	57	47	57	47	57	47
London	57	47	57	47	57	47
Madrid	64	48	64	48	64	48
Moscow	57	47	57	47	57	47
Munich	57	47	57	47	57	47
Nairobi	84	74	84	74	84	74
New Delhi	84	74	84	74	84	74
Osaka	64	48	64	48	64	48
Paris	57	47	57	47	57	47
Prague	57	47	57	47	57	47
Rangoon	84	74	84	74	84	74
Rome	64	48	64	48	64	48
Seoul	64	48	64	48	64	48
Shanghai	84	74	84	74	84	74
Singapore	84	74	84	74	84	74
Stockholm	57	47	57	47	57	47
Taipei	84	74	84	74	84	74
Tokyo	64	48	64	48	64	48
Ulaanbaatar	57	47	57	47	57	47
Warsaw	57	47	57	47	57	47
Zurich	57	47	57	47	57	47

North America	High	Low	High	Low	High	Low
Anchorage	64	48	64	48	64	48
Atlanta	64	48	64	48	64	48
Boston	64	48	64	48	64	48
Chicago	64	48	64	48	64	48
Dallas	64	48	64	48	64	48
Denver	64	48	64	48	64	48
Honolulu	84	74	84	74	84	74
Los Angeles	64	48	64	48	64	48
Manila	84	74	84	74	84	74
Mexico City	84	74	84	74	84	74
New York	64	48	64	48	64	48
San Francisco	64	48	64	48	64	48
Seattle	64	48	64	48	64	48
Shanghai	84	74	84	74	84	74
Singapore	84	74	84	74	84	74
Tokyo	64	48	64	48	64	48
Washington	64	48	64	48	64	48

Asia	High	Low	High	Low	High	Low
Algeria	64	48	64	48	64	48
Amsterdam	57	47	57	47	57	47
Antwerp	57	47	57	47	57	47
Athens	64	48	64	48	64	48
Berlin	57	47	57	47	57	47
Bombay	84	74	84	74	84	74
Buenos Aires	64	48	64	48	64	48
Calcutta	84	74	84	74	84	74
Cardiff	57	47	57	47	57	47
Cairo	64	48	64	48	64	48
Chennai	84	74	84	74	84	74
Columbo	84	74	84	74	84	74
Copenhagen	57	47	57	47	57	47
Dublin	57	47	57	47	57	47
Edinburgh	57	47	57	47	57	47
Frankfurt	57	47	57	47	57	47
Geneva	57	47	57	47	57	47
Hamburg	57	47	57	47	57	47
Heidelberg	57	47	57	47	57	47
London	57	47	57	47	57	47
Madrid	64	48	64	48	64	48
Moscow	57	47	57	47	57	47
Munich	57	47	57	47	57	47
Nairobi	84	74	84	74	84	74
New Delhi	84	74	84	74	84	74
Osaka	64	48	64	48	64	48
Paris	57	47	57	47	57	47
Prague	57	47	57	47	57	47
Rangoon	84	74	84	74	84	74
Rome	64	48	64	48	64	48
Seoul	64	48	64	48	64	48
Shanghai	84	74	84	74	84	74
Singapore	84	74	84	74	84	74
Stockholm	57	47	57	47	57	47
Taipei	84	74	84	74	84	74
Tokyo	64	48	64	48	64	48
Ulaanbaatar	57	47	57	47	57	47
Warsaw	57	47	57	47	57	47
Zurich	57	47	57	47	57	47

Guilty Plea by Unabomber Leaves His Victims' Families Bittersweet

By David W. Chen
New York Times Service

NEW YORK — For those maimed or deprived of loved ones by packages meticulously assembled by the Unabomber, the guilty plea by Theodore Kaczynski has elicited a mixture of bitterness, relief, gratitude and sadness.

The agreement, reached Thursday, was an unconditional plea under which Mr. Kaczynski accepted a sentence of life in prison without the possibility of release and gave up the right to appeal any rulings in the case.

It resolved all federal charges against him here and in Newark, New Jersey, for bombings that killed three people and injured two.

In addition to killing three men, pros-

ecutors say Mr. Kaczynski injured a total of 28 people in a cold-blooded campaign aimed at challenging society by killing and maiming people he had never met, including intellectuals, business executives and, in some cases, students or airline passengers who somehow strayed into his sights.

"The Unabomber's career is over," said the chief prosecutor, Robert Cleary.

David Gelernter, the Yale University computer science professor who lost fingers in a bombing in June 1993, praised prosecutors, saying that he believed they got "the best deal they could."

At the same time, he said: "My feelings are mixed. In the short term, it's a relief not to have to go to Sacramento

and have to testify. In a deeper sense, deep sadness. I'm less outraged than saddened about the moral state of the country. If we can't get a death penalty in a case like this, I think this is a moral catastrophe for the country."

In Sacramento, Mark O'Sullivan, an FBI chaplain, expressed equally bitter-sweet feelings on behalf of Connie Murray, whose husband, Gilbert, an official with the California Forestry Association, was killed in 1995 by a bomb that was intended for one of Mr. Murray's colleagues.

Describing Mr. Kaczynski as a "cold, calculated killer with no remorse," he said: "Mr. Kaczynski fits the definition of a serial killer, and this was definitely a death-penalty case. Mr. Kaczynski saw loopholes in the system.

His manipulation of the system was very visible."

Other victims, including relatives of the two other people killed by Mr. Kaczynski's packages, could not be reached for comment. But prosecutors said that the victims and their families were of one mind when they decided to accept Mr. Kaczynski's plea of guilty in exchange for a sentence of life in prison.

"The decision to accept the plea was made after consulting with the victims and their families," said Mr. Cleary, the lead prosecutor.

For the public, the plea agreement brought an abrupt end to a riveting case. But without a jury trial, the case differed from recent much-watched cases like those of O.J. Simpson, Timothy Mc-

Veigh and Terry Nichols.

As a result, there was no discernible public outcry after the decision, no public vigil in front of television sets, waiting for a judgment to be announced.

"I think people are relieved, but they're stunned," said Laurie Levenson, dean of the Loyola University Law School in Los Angeles. "This was on such a roller-coaster pace, and then it just ended. In a way, it's a strange letdown. People may be wondering, 'Is that all there is?'"

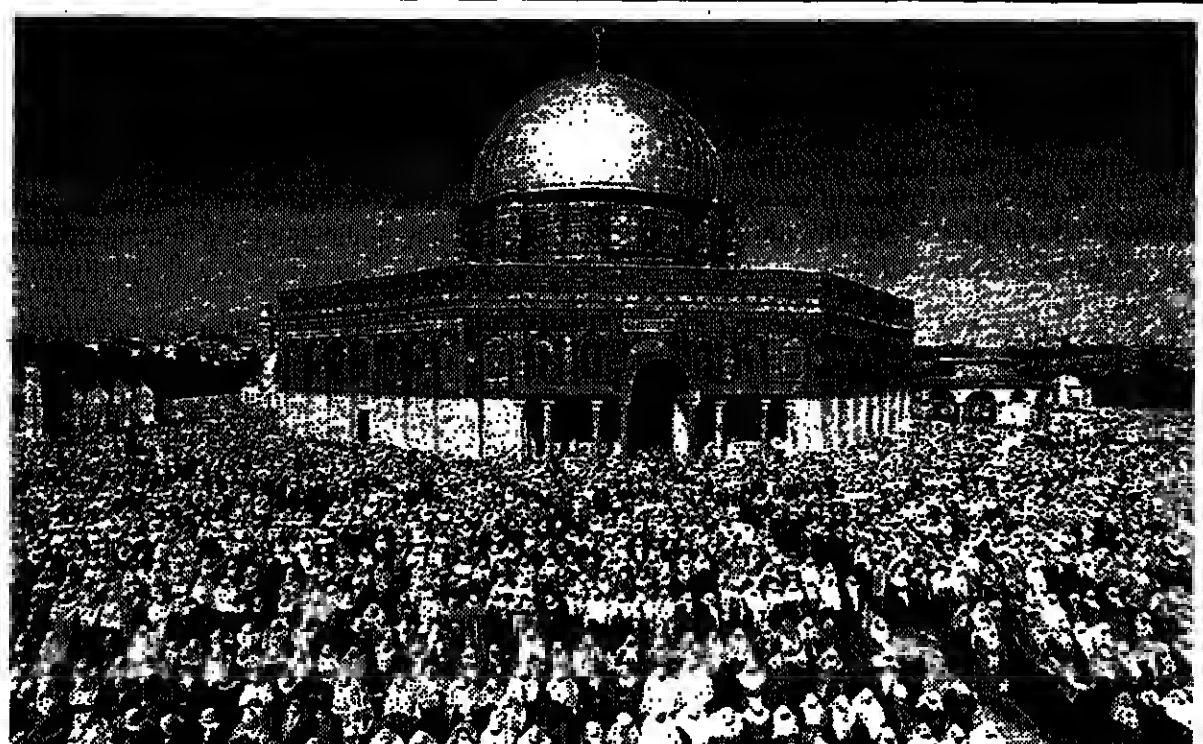
Many legal analysts said that the plea bargain was probably the best solution for all parties, but particularly for the defense.

"In terms of the physical evidence that the government had gathered, the case was a slam dunk for the government,"

said David Ruhke, a criminal defense lawyer who specializes in state and federal death-penalty cases. "So, from the defense point of view, if you know that you're going to lose the first part of the case, you want to avoid the risk of death entirely, and they've done that."

Mr. Ruhke said the fact that a Federal Bureau of Prisons psychiatrist said Mr. Kaczynski suffered from paranoid schizophrenia, coupled with the unsavory prospect of having a jury listen to Mr. Kaczynski's brother, David, plead for his life, made it "an uphill battle in securing the death penalty."

While Mr. Kaczynski was deemed competent to stand trial, the psychiatrist's finding was held to be a basis for altering Attorney General Janet Reno's decision last spring to seek the death penalty.



PRAYERS IN JERUSALEM — Muslims at Al Aqsa Mosque observing the last Friday of Ramadan.

Arafat Calls Pullback Offer 'Peanuts'

WASHINGTON — The Palestinian leader, Yasser Arafat, on Friday dismissed the Israeli troop withdrawal proposed for the West Bank by Israel's prime minister, Benjamin Netanyahu, as "peanuts."

At a news conference on the final day of a visit to Washington for talks with President Bill Clinton and other U.S. leaders, Mr. Arafat said of Mr. Netanyahu: "What he is offering is peanuts. It cannot be accepted."

Mr. Arafat declined to discuss rival Palestinian and Israeli figures for the extent of the proposed withdrawal. Palestinian officials have said they want 30 percent and that Mr. Netanyahu, in Washington this past week, offered less than 10 percent.

Despite his rejection of the Israeli offer, Mr. Arafat said his two sessions of talks with Mr. Clinton were "successful, important and positive."

Mr. Clinton met Mr. Netanyahu as part of an effort to fashion an agreement based on an Israeli troop withdrawal and a strengthened Palestinian commitment to combat guerrilla violence, paving the way for direct talks to resume.

Palestinian officials said they expected the next move to be a new trip to the region by the U.S. special Middle East envoy, Dennis Ross. Eventually, Washington would like to set up a meeting of Israeli, Palestinian and U.S. officials.

Mr. Arafat repeatedly accused Mr. Netanyahu of failing to honor a 1995 agreement signed in Washington by committing himself to withdraw Israeli troops from most of the West Bank.

U.S. officials said that Mr. Arafat, in a move to address one Israeli concern,

handed Mr. Clinton a letter spelling out for the first time key details of a 1996 decision to annul parts of a Palestinian charter that call for Israel's destruction.

The Washington Post reported Friday that Mr. Arafat gave Mr. Clinton a second letter, saying a "time-out" in Israeli settlement construction should extend to every place on the West Bank that is not within 50 meters (165 feet) of an existing settlement structure.

■ **Gap Over Pullout Schedule**

Steven Erlanger of the New York Times reported from Washington: In talks here with President Clinton, Israel offered a withdrawal from less than 10 percent of the West Bank, in three phases over several months, officials on all sides said Thursday.

Mr. Arafat moved some way to meeting Israeli demands on the revision of the Palestinian charter and further security cooperation. But a significant gap remains, in that Israel wants to carry out only one withdrawal from the West Bank before a final settlement is reached, while Mr. Arafat is insisting that there be three, as Israel agreed to in earlier accords, and that each one be "credible."

As Mr. Arafat met with Mr. Clinton, Vice President Al Gore, Secretary of State Madeleine Albright, and the director of central intelligence, George Tenet, details of the positions of the Israelis and Palestinians became clearer, as did some of the American ideas to bridge the slowly narrowing gaps between them.

Mr. Arafat concurred with an American proposal that the two other withdrawals agreed to in the 1993 and 1995 Oslo accords take place after talks on a final settlement between the Palestin-

ians and Israelis begin, the officials said. More important than the exact size of the first redeployment, Mr. Arafat told Mr. Clinton, is the principle that the Israelis talk to the Palestinians about it, and not just decide on it on their own.

Mr. Netanyahu told Mr. Clinton this week that he would agree to only one withdrawal, matched by reciprocal Palestinian actions against terrorism, before final-status negotiations on a permanent settlement were held.

Israel also argued that the Oslo accords allowed the Israelis alone to decide the size of interim redeployments.

While acknowledging that the Israeli interpretation was legally correct, U.S. officials responded that the "spirit" of the accords, which embody mutual recognition between the Israelis and Palestinians, meant that Palestinian concerns should also be taken into account.

The Americans also would like the initial, phased Israeli withdrawal to take place over several weeks, not several months, the officials say, and to contain two phases. They also said that Mr. Netanyahu was asking too much specific reciprocity from the Palestinians.

Since both sides are trying to set out their best possible positions before entering final-status talks, American officials believe compromises on key issues are possible. They are urging Israeli and Palestinian leaders to think through their responses to the American proposals and come up with new ideas for a meeting of Mr. Netanyahu, Mr. Arafat, and Mr. Albright in about two weeks.

The Israelis asked that the meeting take place in the Middle East, while the Americans prefer Europe, the officials say.

Zimbabwe's White Farmers Offer Redistribution Plan

They Would Sell Land to State and Aid Peasants

HARARE, Zimbabwe — White farmers hoping to sink a government plan to confiscate their properties have offered an alternative program to hand land over to blacks, the main white farming organization said Friday.

The program envisages farmers willingly selling land, even including parts of the farms they occupy, to the state. They also would help peasants with advice and expertise on how to keep the land productive.

Some of the land would go to blacks trained to run larger commercial farming operations, said David Hasluck, director of the Commercial Farmers Union.

Mr. Hasluck said the program was formally presented to the government Thursday. He said the first reaction of government ministers appeared "enthusiastic."

If President Robert Mugabe's government accepted the plan and dropped its program to seize 1,480 farms, most of them white-owned, it would be a major reversal. Mr. Mugabe said earlier this week the land reform program would proceed, even though white farmers and businessmen and the international community oppose it.

Mr. Mugabe faced unprecedented civil unrest, including two days of rioting this week, over steep rises in food prices and other economic problems that led him to call out the army to keep order in Harare, the capital, for the first time since independence in 1980.

Since independence, about 60,000 families have been resettled on land formerly owned by whites.

Farmers already have offered nearly 300,000 hectares (720,000 acres) to the government, Mr. Hasluck said, and the government's target of acquiring 5 million hectares for landless blacks could be met in the same way, aided by donor funding.

"It is possible to make land available in a way that does not disrupt the farming sector or the economy as a whole," he said.

In November, the government released a list of 1,480 mostly white-owned properties targeted for seizure. It said then it would only pay for buildings and improvements on farm land seized originally from black peasants by white settlers.

About 4,000 white farmers own a third of Zimbabwe's land, with 8 million peasants living on another third. The rest is wilderness and uninhabited mountain terrain.

■ **Troops Patrolling Harare**

Troops patrolled rock-strewn streets in Harare on Friday, and some schools and factories remained shut after the food riots this past week, Reuters reported.

Three people were killed and 2,300 arrested for looting during demonstrations on Monday and Tuesday against increases of up to 45 percent in the prices of most consumer goods.

Away From Politics

■ **With a successful launching of the space shuttle Endeavour from Cape Canaveral, Florida, Andrew Thomas was on his way to the Russian space station Mir, where he will live for 4½ months. He will take the place of David Wolf, an American astronaut who has been aboard Mir since September. Mr. Wolf will be coming home on Endeavour's return trip. The shuttle was expected to catch Mir on Saturday afternoon and was to dock there for five days as the two crews swap water, food and equipment.** (AP)

■ **The number of pedestrians and bicyclists killed by motor vehicles in New York jumped sharply last year, to 302 from 245, after declining steadily since the start of the decade, according to preliminary police figures. Officials were at a loss to explain the 23 percent increase.** (NYT)

■ **Researchers have identified a new risk factor for prostate cancer that may be present in as many as 25 percent of men. Those men, with high blood levels of a certain hormone, have four times the risk of prostate cancer as men with lower levels, though the high readings do not mean that men are certain to develop the disease. The hormone is a naturally occurring substance in the body known as insulin-like growth factor-1. The discovery was published in the journal Science, but scientists said the findings were preliminary and needed to be verified.** (NYT)

U.S. Battles Russia and China on Iraq

By John M. Goshko
Washington Post Service

UNITED NATIONS, New York — The United States is in sharp disagreement with Russia and China about whether the Security Council should certify that Iraq has halted its nuclear weapons program.

After hearing a report from the International Atomic Energy Agency, the Russian and Chinese ambassadors reiterated assertions that the council should close its file on whether Iraq still has a capacity to produce nuclear weapons.

But the U.S. delegate to the United Nations, Bill Richardson, said that there were "significant gaps" in the atomic energy agency's information that offer "no justification for closing the nuclear files."

Under the terms of the

cease-fire that ended the Gulf War in 1991, UN sanctions against Iraq cannot be lifted until the council is satisfied that Baghdad has eliminated all its programs to produce weapons of mass destruction. The UN Special Commission has responsibility for tracking missiles and chemical and biological weaponry, while the atomic energy agency investigates nuclear capability.

Diplomats said that at the closed-door briefing of the Security Council on Thursday, Garry Dillon, an official of the International Atomic Energy Agency, essentially repeated the agency's earlier findings that although Iraq appears to have halted its nuclear weapons program, it might still be withholding information.

The chief Russian delegate

to the United Nations, Sergei Lavrov, interpreted Mr. Dillon's briefing as proof that Iraq has complied fully with the UN mandates.

The Chinese delegate, Qin Huasun, said, "It is time to close the nuclear file."

He added that the atomic energy agency should halt inspections and institute instead a long-term monitoring and verification program.

28 Die in Kenya In Attacks by Cattle Rustlers

NAIROBI — At least 28 people have been killed in attacks in central Kenya that are apparently targeting members of the Kikuyu tribe, a newspaper said Friday.

The independent Daily Nation said the police had discovered 13 more bodies Thursday in the bush in Laikipia district in the north end of Rift Valley Province, about 200 kilometers northwest of Nairobi.

Fifteen people had already been killed by the unidentified raiders since the attacks and cattle-rustling raids began a week ago. Dozens of people have sought shelter on the grounds of Roman Catholic churches in the area.

A police spokesman said officials in the area put the number of dead at 22. He said arrests had been made, but he did not know the number.

The motive behind the raids was cattle-rustling, he said, but he did not know the number of head stolen.

Mary Bunting-Smith, Educator, Dies

NEW YORK — Mary Bunting-Smith, the Radcliffe president who sought ways to help gifted, educated women carve out careers in a society not yet transformed by the feminist movement, died Wednesday afternoon at Kendall at Har- over, a continuing-care community in New Hampshire. She was 87.

Mrs. Bunting-Smith, who was known as Polly from childhood and added Smith to her name after her second marriage in 1979, died of a combination of natural causes, said Charles Bunting, one of her sons.

A microbiologist, Mrs. Bunting-Smith oversaw the fuller integration of Radcliffe College into Harvard and founded the Radcliffe Institute for Independent Study — now the Bunting Institute — to help women scholars, writers, artists and scientists return to careers interrupted by family obligations.

Mrs. Bunting-Smith was also the first woman member of the U.S. Atomic Energy Commission, a member of the prestigious American Academy of Arts and Sciences, a member of the President's Committee on the Status of Women, and a vice president of the Peace Corps.

Underutilized women and interrupted careers were a constant theme for Mrs. Bunting-Smith. She chided society for its "waste of highly talented, educated women-power," as she put it in a 1961 article in The New York Times, calling it a "prodigious national extravagance."

"The number of intellectually displaced women without productive outlets for

their talents and education is growing yearly," she wrote. "Yet, to date, our efforts to stem the waste they epitomize have been meager, scattered and inadequate."

Jack Lord, 77, Star of 'Hawaii Five-O'

NEW YORK (NYT) — Jack Lord, 77, the deadpan star of "Hawaii Five-O" who made "Book him, Danno!" a fixture of American slang, died Wednesday at his home in Honolulu.

He died of congestive heart failure, said Carolyn Tanaka, a spokeswoman for Marie Lord, the actor's wife and only survivor.

Playing strait-laced, tight-lipped Detective Steve McGarrett, head of an elite state police investigative unit, Mr. Lord helped make "Hawaii Five-O" the longest running police drama in television history. It lasted 12 seasons on CBS, from 1968 to 1980, and was seen in more than 80 other countries.

The phrase "Book him, Danno," used when the bad guy was captured, came from the name of McGarrett's assistant, Detective Danny Williams, who was played until the show's penultimate season by James MacArthur.

Mr. Lord was not only the star; his contract gave him control over dramatic decisions on every episode, and it was he who insisted, against the network's wishes, that the show be shot entirely on location in Hawaii.

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Brushing Aside Its Demands, Saddam Constructs His 'Jihad' Against UN

By Barbara Crossette
New York Times Service

BAGHDAD — In an orchestrated series of steps during the last week, President Saddam Hussein has sent the world an unmistakable message: Seven years after the Gulf War, Iraq is going to extricate itself from economic sanctions, with or without permission from the United Nations Security Council.

The signals from Iraqi officials here are very clear. The next two or three months will be the most critical tests of American, British and United Nations resolve that Iraq has posed since it was put under international supervision for its invasion of Kuwait in August 1990.

Richard Butler, the executive chairman of the UN Special Commission, which has been working since 1991 to rid Iraq of weapons of mass destruction, came here with what he called "blatantly obvious" news for the Iraqis. The Security Council had instructed him to

demand unconditional access to any place in this country that weapons inspectors wanted to go.

That demand was simply brushed aside. Deputy Prime Minister Tariq Aziz told Mr. Butler that Iraq would no longer be willing to deal with "cops." Instead, Mr. Aziz gave Mr. Butler a definitive list

NEWS ANALYSIS

of eight areas that were off-limits, some of them huge.

Moreover, Mr. Saddam declared that Iraq was in a state of *jihad*, holy war, against the UN sanctions, and ordered military training for a million citizens.

Mr. Aziz told Mr. Butler that there should be no more talk of access to presidential properties or other sites that the Iraqis have labeled "sensitive" — and no more requests to inspect them — until three new teams of UN technical experts weighed the file on Iraqi compliance on missile warheads,

chemical weapons and germ warfare. Iraq already considers the nuclear file effectively closed. All four areas must be declared before sanctions can be lifted.

The technical teams are to begin meeting here Feb. 1. They are expected to report to Mr. Butler a month later. He in turn is to tell the Security Council by early April how far Iraq has come in meeting the disarmament requirements. At that point the council will decide whether to continue sanctions for another six months.

The Iraqis hope that this path will lead to their release from an embargo that has hurt many people — including the leadership, which cannot expect to go on building itself magnificent palaces without a renewed oil income. Millions of other Iraqis no longer care who benefits from a release from sanctions as long as they can again eat and buy their children clothes and medicine.

Iraqi officials seem to believe that the

United States has never been in a weaker position in the Security Council. Secretary of State Madeleine Albright has been less aggressive in her approach to the Iraqi problem than she was as the chief American delegate to the United Nations, when she could talk down and even ridicule many of Baghdad's ploys.

The United States would have a far more difficult time winning support for military attacks on Iraq, many diplomats say. Washington is crippling the United Nations financially by not paying its dues, a measure of the low priority the Clinton administration has put on the need for international support there.

At the same time, some countries have big financial and commercial interests in an unfettered Iraq, especially France and Russia. Other diplomats are also jostling for attention here now, perhaps sensing that sanctions may crack.

Diplomats here and at the United Nations trace the shift on Iraq's part to early

last fall, when Mr. Saddam tried again — and failed again — to declare unilaterally that Iraq was free of prohibited weapons. American attempts to add new sanctions also failed, however, and that seems to have been seen as a green light in Baghdad.

The crisis over the Iraqi decision to bar American weapons inspectors followed in October, costing the UN Special Commission three weeks of lost work.

Although Russia eventually persuaded Iraq to back down, the scene had been set for further confrontations. To this day, diplomats say, they are not sure what Russia promised the Iraqis in return, but high among Baghdad's demands was a proportional reduction in American inspectors — and a reduced role for the commission headed by Mr. Butler, an outspoken Australian disarmament expert.

The Iraqis persuaded Secretary-General Kofi Annan to send a team of troubleshooters not drawn from the Se-

curity Council or its creation, the Special Commission, to discuss the inspection crisis last fall. Now Iraq has broadened the panel of technical experts who will examine the files on its weapons programs.

Instead of expert teams chosen by the Special Commission, there will be panels including Iraqis, commission members and nominees of six countries: Britain, China, France, Germany, Russia and the United States. What to an outsider might seem an insignificant change is to Iraqis a fundamental shift in principle.

When Mr. Butler was asked Wednesday whether Iraq's demand for a freeze on access to suspect sites put it in clear violation of the Security Council resolution — which in this case can be enforced militarily — he explained why he could not even comment.

"This is a tough political environment right now," he said, "and that's a decision the Security Council will have to make."

BOTHA: Defiant Ex-President

Continued from Page 1

measures to brutally repress the nation's black majority and has rejected reconciliation in the new dispensation, will now have his fate judged by a black man, Victor Lugaji, who is president of the Western Cape regional court.

The hearing, which lasted less than 30 minutes, focused mostly on legal house-keeping issues: the still-unresolved issue of state financing for Mr. Botha's legal defense, which was withdrawn earlier this month; the matter of the translation from Afrikaans to English of the thousands of pages of documents involved. The case was continued until Feb. 23 for pleading and April 14 for trial.

Though Mr. Botha faces the relatively minor charge of contempt for defying subpoenas to appear before the nonprosecutorial Truth and Reconciliation Commission, his unscheduled posthearing news conference on Friday drew the legal, ideological and racial battle lines that are sure to make this a political trial.

Mr. Botha is defending himself against the allegation that he ordered or allowed murders, bombings and other brutal assaults in defense of apartheid during his reign as defense minister, prime minister and state president in the 1970s and 1980s, until his ouster in 1989. The Truth Commission is defending itself against the allegation often heard from the white minority that the process is focusing too much on the crimes of apartheid and not enough on the crimes committed in the name of black liberation.

Mr. Botha called the truth body the "revenge and retribution" committee and made it clear he wants no part of the reconciliation it is offering. Condescendingly, he recounted that he once warned President Nelson Mandela during a private meeting that "the forces you are unleashing will destroy you."

Limping from a recent hip operation, Mr. Botha remains deep inside the "lager," or circled wagons, and on



Demonstrators protesting Friday outside the courthouse where Mr. Botha appeared on contempt charges.

Friday he clearly seemed to relish his role as an aged fighter for the rights of the Afrikaner, the Dutch-descended white minority that tried at all costs to maintain a regime that the world called racist.

While Mr. Botha spoke, several hundred black anti-Botha demonstrators marched in the surrounding streets and called Mr. Botha a killer. Nearby, Christian hymns boomed from a small truck parked in a gas station, where one man among a small clutch of white Botha supporters carried an apartheid-era South Africa flag aloft.

All were separated from the courthouse by a six-foot-high barricade of coiled razor wire and hundreds of policemen. This sleepy, picturesque town

of 110,000 at the base of Outeniqua Mountain, 250 miles from Cape Town, had never held such a high profile event, and town leaders feared trouble.

But the only spectacle to emerge today was that of Mr. Botha's performance. Cameramen crawled over tables, chairs and one another to capture his unreconstructed image: the wagging finger for which he is famous, the smirk of a man convinced of his rightness, the stern squint of the eyes.

In an instance of the historic revisionism with which his speech was replete, Mr. Botha offered that the Afrikaans word "apartheid," which means "apartness," was upheld through forced physical separation of all races, actually had an

additional meaning. The word, he said, "can easily be replaced by a positive term: good neighborhood."

Chuckles rose up in the room. Mr. Botha menacingly scanned the crowd and demanded, "Who's laughing?" Later, as he repeated over and over the threat of the Afrikaner tiger, a journalist pointed out that there are no tigers in Africa. Mr. Botha snarled, "If there were, you wouldn't have been one of them."

The threat of white rebellion, which gripped the new government in the months following its installation, has progressively receded.

But white right-wing anger at the Truth Commission is growing, and Mr. Botha accused the country's new political leaders of fueling racial division with "their obsession with the past."

Missing from Mr. Botha's speech, but the crux of his battle with the Truth Commission, are the deeds of the apartheid-era state security council. That council, composed of the nation's top ministers, marshaled the resources of all sectors of society to conduct the regime's "total strategy" against the black majority.

Scores of thousands of blacks were killed, tortured and detained without trial. To help South Africa heal these wounds, the truth body was created in 1995 to uncover abuses of the past, offer amnesty to those who confess, and to write a comprehensive history of the apartheid years. Knowledge of the security council's activities are central to this effort.

IRAQ: A Gloomy Picture

Continued from Page 1

including what biological agents he believed the plant was making or whether UN inspectors had sought to visit it.

In a 19-page report to the council, Mr. Butler described a pattern of stonewalling, equivocation, counter-demands and insults from Iraqi officials during his visit to Baghdad this week.

"I am bound to state that if Iraq successfully avoids answering the questions we have had before it for some time on outstanding disarmament issues and/or in other ways prevents us from finding those answers," Mr. Butler said in his report, "it is gravely to be doubted that we would be able to verify Iraq's claims that it has met its disarmament obligations established by the Security Council."

After the two-hour session, the French representative at the United Nations, Alain Dejammet, who holds the rotating presidency of the Security Council for January, said council members generally agreed that Iraq's demand for a two-month moratorium on inspections and discussions about access to closed sites was "unacceptable."

Otherwise, however, the response within the Security Council exposed a lack of agreement about what to do next. The United States and Britain called for a tough response, while Russia and China suggested that more be done to take Iraq's interests into account. The split underscored how difficult it will be for the council to declare Iraq in material breach of its obligations and to force it to allow the inspectors unfettered access.

Mr. Dejammet said that the next step would involve "serious consultations" among the countries themselves. "It was obvious this morning that it was only a preliminary discussion," he said.

The chief U.S. delegate, Bill Richardson, called Mr. Butler's report "deeply disturbing, deeply negative and unacceptable."

He described Iraq's response as one of "defiance" of the council's resolutions, the weapons inspectors and the international community.

He said Washington would consult with its allies inside and outside the Security Council. "We want to resolve the issue diplomatically," he said, "but we will not rule anything out."

But the Russian representative, Sergei Lavrov, stressed "the need to rely entirely on diplomatic efforts, to be patient and to keep searching for diplomatic solutions," so as not to risk losing the monitoring system that exists in Iraq.

And the Chinese representative, Qin Qiang, said that although Iraq should cooperate with the inspectors, "at the same time, as a sovereign state, Iraq's dignity and security concerns should be taken into consideration."

Even before the session ended, Britain's chief delegate, Sir John Weston, came on and angrily told reporters: "I do not see how the Security Council can acquiesce in such a situation while wishing to retain any credibility of its responsibilities under the charter for international peace and security."

Germany Jails Businessman

A German businessman was jailed Friday for illegally exporting Scud missile launchers to Iraq that prosecutors asserted had been used against Israel and the U.S.-led allies in the Gulf War. Reuters reported from Darmstadt, Germany.

Gerhard Paul, a former executive at Havert Industrie, was sentenced to three years and two months in prison. He was convicted on 11 counts of illegal export and three counts of fraud.

Another company official, Hans Friedrich, received a suspended two-year term on the illegal export counts.

BRIEFLY

Hun Sen Shows UN 3 Listed as Dead

TAKHMAU, Cambodia — Second Prime Minister Hun Sen met Friday with the United Nations' top human rights official and showed her three men whom he said UN investigators had charged his government with killing.

Their appearance before Mary Robinson, the UN High Commissioner for Human Rights, appeared to be an effort to discredit the work of her agency's office in Phnom Penh. Mrs. Robinson did not comment on the identity of the men.

The UN office documented 43 killings of Mr. Hun Sen's opponents in August. UN officials accuse the government of failing to investigate the killings, allegedly committed during a July coup in which Mr. Hun Sen seized power. (AP)

30,000 Demonstrate For Thai Pipeline

KANCHANABURI, Thailand — More than 30,000 people rallied peacefully here Friday in support of a Thailand-Burma gas pipeline that has been the subject of months of protests by environmental groups.

The demonstrators demanded that the government remove about 40 people who have been camping out in the jungle for more than three weeks to try to stall the project.

"Pro-environmental people are outsiders who know nothing about the benefits that this town and the nation will get from the project," the rally leader, Tanya Daraisaen, said. (Reuters)

Alaska Settles Suit Against Canadians

ANCHORAGE, Alaska — Alaska and Canada have agreed to settle a 2.1 million Canadian dollar (\$3 million) lawsuit against fishermen who blockaded a state ferry for three days last summer. Governor Tony Knowles said Thursday.

Under the agreement, the state will drop its lawsuit against the British Columbia fishermen, who were protesting what they said was excessive Alaskan interception of Canada-bound salmon, in exchange for a 1.3 million-dollar Canadian-funded campaign promoting tourism to Alaska. Mr. Knowles said.

The accord also stipulates that the fishermen drop their 15 million-dollar counterclaim against Alaska. (Reuters)

3 Japanese Parties Carry Out Merger

TOKYO — Three opposition parties merged Friday to form a new party to challenge Prime Minister Ryutaro Hashimoto's coalition in elections this year, a news report said.

The move brings together the recently formed Taiyo, From Five and Voice of the People parties. The new group will be called the Minshuto, or Good Governance Party. Kyodo News reported.

The Taiyo Party chief, Tsutomu Hata, a former prime minister, will lead the new party. (AP)

POPE: John Paul Condemns Embargo but Also Cautions Cubans

Continued from Page 1

ditions which are sometimes difficult, who are sometimes frustrated in your legitimate aspirations and are even devoid of hope itself," John Paul said in his message.

"Resist every temptation to flee from the world and from society," he said.

He called on the young to "return to your Cuban and Christian roots, and do all that you can to build a future of ever-greater dignity and freedom."

As for the clerical request, the Vatican's secretary of state made it at sep-

arate talks on Thursday while the Pope was meeting with Mr. Castro. Mr. Joaquin Navarro-Valls said.

The Vatican received appeals regarding "several hundred" prisoners, sent from Cuba as well as Cuban circles in Miami, Vatican officials traveling with the Pope said Friday. Some of the prisoners are being held for what dissidents say are political crimes, but it was not clear how many. There are almost 500 political prisoners in Cuba, dissidents say.

The Pope and Mr. Castro met at sunset and talked privately for about 50 minutes

in the Palace of the Revolution in Havana. There was no word on what they discussed.

A bipartisan movement to lift or ease the embargo has been growing recently in Washington, but the U.S. government has repeated that nothing will change without major concessions from Mr. Castro.

Opponents of the sanctions, even those critical of the Castro government, say that they have helped to solidify Mr. Castro's grip on power because they enable him to attribute all of the island's economic difficulties to the embargo. (AP, Reuters)

Hong Kong Will Lift Ban on Chickens Soon

Agence France-Press

HONG KONG — The Hong Kong authorities, confident they are winning the fight against a deadly avian flu, said Friday they would resume imports of chicken from mainland China on Feb. 7.

The resumption will be accompanied by new public health safeguards. All birds brought into Hong Kong whether poultry or pets, will have to be accompanied by a health certificate stating they are free of the H5N1 "bird flu" virus.

The flu has since last summer afflicted 18 people in Hong Kong, six of whom have died. But no new cases have been reported since the government ordered a mass slaughter of 1.2 million chickens late last month.

VISAS: U.S. Policies in Brazil Were Discriminatory, Judge Rules

Continued from Page 1

because of the color of their skin or the place of their birth means that the use of generalizations based on these factors is unfair and unjustified."

He cited a visa manual used in the Sao Paulo consulate that encouraged special scrutiny of applicants of Korean or Chinese ancestry. "Visas are rarely issued to these groups," the manual said, and those from certain Brazilian cities "known for fraud." Most of the cities have predominantly black populations.

Judge Sporkin said his review of the evidence showed that Mr. Olsen, a 53-year-old Harvard-educated lawyer, was dismissed because he refused to follow a policy that resulted in the routine denial of visas to Brazilians who were black or who were of Asian or Arab descent.

"Government employees are not to follow orders blindly," the judge said in praising the former diplomat.

Mr. Olsen, who now is in private legal practice in Washington, said the judge's

ruling was "right," adding: "I'm not in this so much to vindicate myself as to vindicate a principle."

Judge Sporkin ordered that a State Department grievance board review the case of Mr. Olsen to determine if he should be reinstated to the foreign service and given back pay.

The State Department is not backing down. In court papers, it has insisted that Mr. Olsen was dismissed because of "poor work performance — specifically, for failure to adjudicate visa applications with the requisite speed and good judgment required by the job."

At a time when the administration of President Bill Clinton insists it is cracking down on illegal immigrants and is trying to eliminate the threat that terrorists could sneak into the United States, the State Department defends the use of the visa profiles in Sao Paulo and elsewhere in the world.

The profiles single out applicants on the basis of their ethnic background, or the way they look or talk, to determine which

applications deserve special scrutiny.

"No applicant is refused a nonimmigrant visa application on account of his or her ethnicity or nationality," said Suzanne Nyland, a Justice Department lawyer who is representing the State Department in the lawsuit.

But the profiles are valuable, she said, because they "serve to help the consular officer ask the right questions" and to determine which applicants should be called in for interviews.

But Mr. Olsen said he was startled, after arriving in Brazil in 1992 for his first Foreign Service posting, by the five-page manual for new visa officers that listed "general guidelines on how to handle selected visa cases."

The manual encouraged the use of abbreviations like these: "RK=Rich kid, LP=Looks poor, TP=Talks poor, LR=Looks rude, TC=Take care."

A 1993 memorandum also warned that "Arab and Chinese last names set off bells and whistles, regardless of what passport/nationality they may have."

RELIGIOUS SERVICES			
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FRENCH RIVIERA/CÔTE D'AZUR	PARIS AND SUBURBS	EUROPEAN BAPTIST CONVENTION	ST. PAUL DE VENICE - FRANCE
NICE: Holy Trinity (Anglican), 11 rue Bula, Sun. 11:15. VENICE: St. Hugh's, 22, av. Resnais, 9 a.m. Tel: 33 04 90 67 19 95.	THE AMERICAN CATHOLIC OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 1045 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evening, 23, avenue George V, Paris 75005. Tel: 33 01 53 23 64 00. Metro: George V or Alma Marceau.	BERLIN L.B.C., Berlin, Rotherstrasse 13, (Schoen), Sunday, Bible study 10:45 a.m. Holy Eucharist and Sunday School, 563 Chaussee de Louvain, Orlin, Belgium. Tel. 392 384-3938.	St. Paul de Venice - France L.B.C., Espace St. Claire, Level 77, 88 rue de la Paix, 75001 Paris. Tel: (01) 47 33 00 00.
FRANKFURT	FLORENCE	BRATISLAVA - SLOVAKIA	PRAGUE
English Speaking International Catholic Parish, 48, Leimbach, Allee, Mainz-Gieseler 5, 60311 Frankfurt, Germany. Tel/Fax 069-283177. Mass schedule: Saturday 5 p.m., Sunday: 10 a.m. Tel: 01 47 31 29 6301 47 49 15 29 or http://www.gspcnet.com/Paris/Allee/1352.	ST. JAMES CHURCH, Sun. 9 a.m. Rite 1 & 11 a.m. Rite 1. Via Benvenuto Cellini 5, 50122, Florence, Italy. Tel: 3955 29 44 17.	L.B.C., Bratislava, Karlovska 64, Auditorium 104B, Worship Sun. 10:00. Tel: (07) 715367.	L.B. FELLOWSHIP, Vrchbatska 6, 68, Prague 3, Sun. 11:00. Tel: (02) 311 7974.
PARIS and SUBURBS	FRANKFURT	BREMEN	WATERLOO
EMMANUEL BAPTIST CHURCH - 56, rue des Bons-Enfants, 92500 Rueil-Malmaison. Worship: 9:45 - 11:00 a.m. Sunday School. For info: Tel: 01 47 31 29 6301 47 49 15 29 or http://www.gspcnet.com/Paris/Allee/1352.	CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Rite 5:22, 6:03:23 Frankfurt, Germany, U1, 2, 3 Miquel-Alex. Tel: 49 69 55 01 84.	L.B.C., Hohenlocke, Hamann-Boose-Str. 17, 28105 Bremen. Pastor telephone: 0421-76 648.	WATERLOO BAPTIST FELLOWSHIP Sun. 10:00 at Swedish Church, across from MacDonalds, Tel: (02) 353 1695.
HOPE INTERNATIONAL CHURCH	GENEVA	BUDAPEST	ZURICH - SWITZERLAND
Hope International Church, 1st & 3rd Sun. 10 a.m. Eucharist and 4th Sun. Morning Prayer, 3 rue de Monihou, 1201 Geneva, Switzerland. Tel: 41 22 732 80 78.	EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist and 4th Sun. Morning Prayer, 3 rue de Monihou, 1201 Geneva, Switzerland. Tel: 41 22 732 80 78.	L.B.C., meets at Moritz Zeilmann Gymnasium, Torontovszky ut 48-54, Sun. 10:00. Tel: 250-3632.	L.B.C. of Zurich, Gletschstrasse 31, 8008 Rueschlikon, Worship Services Sunday mornings 10:30. Tel: 1-4910018.
SAINT JOSEPH'S CHURCH (Roman Catholic, MASS IN ENGLISH, Sat. 6:30 p.m., Sun. 9:45 a.m., 11 a.m., 12:15 p.m., 6:30 p.m. 50, avenue Hoche, Paris 16e. Tel: 01 42 27 26 50. Messe Chateaux de Gaulle - Ecole.	MUNICH	DARMSTADT - GERMANY	ASSOC. OF INT'L CHURCHES
	THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. Seydewitzstrasse 4, 81545 Munich (Hartmannstrasse), Germany. Tel: 49 89 94 51 81.	L.B.C., Wilhelm-Leuschner Str. 104, Darmstadt-Griesheim, Bible Study Sun. 11:00 a.m. Tel: (0611) 941-0205.	
ZURICH-SWITZERLAND	ROME	INTERNATIONAL CHRISTIAN FELLOWSHIP	BERLIN
ENGLISH-SPEAKING CATHOLIC MISSION: St. Anton Church, Minervastrasse 83 Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.	ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite 1: 10:30 a.m. Choral Eucharist Rite II: 10:30 a.m. Church School for children & Nursery care. Choral Eucharist, provided: 1 p.m. Sunday Eucharist: 10:30 a.m. & 11:30 a.m. Tel: 399 488 3339 or 396 474 3339.	L.B.C., Am Dachsberg 82 (English), Worship Sun. 11:00 a.m. and 6:00 p.m. Tel: 089-646589.	AMERICAN CHURCH IN BERLIN, cc. of Clay Alley & Potsdamer Str. 3.5, 100 a.m. Worship 11 a.m. Tel: (030) 83132221.
		BETHEL L.B.C.	GENEVA
		Am Dachsberg 82 (English), Worship Sun. 11:00 a.m. and 6:00 p.m. Tel: 089-646589.	EV. LUTHERAN CHURCH 23 rue Verdaine, Sunday worship 9:30 a.m. German 11:00 a.m. English: Tel: (022) 310 30 38.
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			LUTHERAN CHURCH of the Redeemer, Old City, Jerusalem Tel. English worship 8 a.m. All are welcome. Tel: (02) 8221-049.
			PARIS
			AMERICAN CHURCH IN PARIS, Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.
			ZURICH
			INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schweizerstrasse 25. Tel: (01) 252555.

Political Explosion Aside, President Faces Array of Legal Questions

By Jan Hoffman
New York Times Service

NEW YORK — In addition to the political problems, the allegation that the president had a relationship with a former White House intern raises numerous legal questions.

For starters, scholars disagree about whether the president can even be indicted, much less prosecuted. That constitutional issue has never been resolved by the Supreme Court, which came closest in examining it in 1974, when the justices ruled that President Richard Nixon could not claim executive privilege to block a Watergate special prosecutor's subpoena for White House tapes. Mr. Nixon had been named by the grand jury in that case as an "unindicted co-conspirator."

Although lawyers for both sides fully briefed the question of whether Mr. Nixon could be indicted, each gave entirely different readings of the Constitution. Chief Justice Warren Burger said that the court did not have to resolve the dispute in order to rule on the executive privilege.

If, however, Mr. Clinton can be indicted and prosecuted, here are several legal issues that might be raised:

- Mr. Clinton testified at a deposition before Paula Jones's lawyers, though Monica Lewinsky's scheduled appearance Friday has been postponed indefinitely. Can a person be charged with perjury for lying at a deposition taken for a civil action?
- Yes. At a deposition, a wide-ranging inquiry at which lawyers develop information for their forthcoming cases, the person being questioned must swear an oath to tell the truth, and testimony can often be introduced in court. The crime of perjury is generally defined as knowingly testifying falsely in violation of that sworn oath. That said, a prosecution for perjury arising out of a civil case is rare.
- If the strongest allegations against Mr. Clinton have merit, what crimes could he be charged with?
- Several former federal prosecutors said Mr. Clinton could be charged with perjury if he lied to Ms. Jones's lawyers at his deposition; suborning

perjury — if he encouraged Ms. Lewinsky to lie at her deposition; obstruction of justice — a broader category of impeding an investigation, and conspiracy on the suborning and obstruction charges, if he asked Vernon Jordan Jr., his friend, to persuade Ms. Lewinsky to lie.

- Taping a telephone conversation without the speaker's consent is illegal in the state of Maryland, where Linda Tripp recorded Ms. Lewinsky's calls to her, but is not illegal under federal law. Are the tapes admissible in a federal criminal case?
- Yes. Federal rules control in federal court. However, Kenneth Starr, the independent prosecutor, had Ms. Tripp wear a wire and record a new conversation with Ms. Lewinsky under the unambiguous cloak of federal protection, so that he would not have to rely on telephone tapes made under the taint of illegality.
- Can the tapes be used as evidence against Mr. Clinton in a criminal case?
- Yes and no. At a grand jury hearing to determine whether to indict Mr. Clinton, prosecutors can introduce the tapes. But at trial, a defendant

has a Sixth Amendment right to cross-examine his accuser, Ms. Lewinsky. A tape of her making statements about him cannot be cross-examined, and so would most likely be considered hearsay, assuming she herself could be subpoenaed to testify. Here, the tapes could not be presented in the prosecution's direct case.

Federal evidence authorities say, however, that the tapes could be introduced in two other ways: If she testifies against Mr. Clinton, prosecutors may be able to introduce portions of the tapes to show that her testimony was consistent with her earlier statements. If she testifies for Mr. Clinton, denying that they had an affair and that he encouraged her to lie in the deposition, the prosecution can introduce the tapes in challenge her credibility.

- How is Ms. Lewinsky's relationship with Mr. Clinton germane to the Jones lawsuit, which claims that the then-governor asked her for sex?
- To prevail, Ms. Jones, a state employee, does not need to establish that Mr. Clinton had a pattern of soliciting sex from employees.

But if she can, introducing other examples might help bolster her credibility in a case she said she would bring to a jury. She does have to show that Mr. Clinton implicitly or explicitly made sex with her a condition of her employment. Her lawyers would want to question Ms. Lewinsky on the same point.

- Ms. Lewinsky's lawyer has said that she may eventually invoke the Fifth Amendment at her deposition in the Paula Jones case. Why would that be necessary?
- It is not a crime to lie to a friend about having an affair with a married man. But Ms. Lewinsky has submitted a signed affidavit to Ms. Jones's lawyers saying the affair never happened. If she persists with the denial at the deposition and it turns out that the affair did occur, she could face perjury charges.
- Since that is a risk, she can claim the Fifth Amendment protection against self-incrimination at the civil proceeding, to ward off the possibility that deposition testimony about the affair could be presented to a grand jury.

Again, Jordan Supports His Friend

From Hubbell to Foster to Sex Scandal, Lawyer Is There for Clinton

By Ruth Marcus
and Thomas B. Edsall
Washington Post Service

WASHINGTON — During nearly every crisis of the Clinton presidency, Vernon Jordan Jr. has been a constant, though largely invisible, presence. The 62-year-old lawyer has now again come to the aid of the president, this time standing front and center with a public statement that may be the best news the beleaguered Mr. Clinton has had in the last few days.

On Thursday afternoon, Mr. Jordan walked into a crowded meeting room at a hotel here to make his first comment on the allegations that a 24-year-old former White House intern had an affair with Mr. Clinton and was also advised by the president and Mr. Jordan to lie about it.

The reporters and camera crews fell silent. The 6-foot-4-inch Mr. Jordan, impeccably tailored as usual, smiled ever so slightly.

"May I have your attention? My name is Vernon Jordan," he said, knowing full well that every person in the room knew exactly who was at the lectern.

He then launched into his account of his dealings with Monica Lewinsky. He took no questions.

In crisp, declarative sentences, Mr. Jordan in many ways did a better job for Mr. Clinton than the president had done for himself the day before with his halting and incomplete account of his dealings with Ms. Lewinsky.

Punching out each word for emphasis, Mr. Jordan provided help to Mr. Clinton on two critical points.

"I want to say absolutely and unequivocally that Ms. Lewinsky told me in no uncertain terms that she did not have a sexual relationship with the president," he said. "At no time did I ever say, suggest or intimate to her that she should lie."

Putting himself in the line of fire in a way few lawyers would advise, Mr. Jordan promised to testify "directly, completely and truthfully" about the matter before the grand jury convened by the Whitewater independent counsel, Kenneth Starr, who Mr. Jordan said had subpoenaed him to appear.

Some Washington lawyers said that Mr. Jordan was being foolhardy in agreeing to testify before knowing what other evidence the prosecutors have in hand, even if he has nothing to hide.

But the alternative scenario — Mr. Jordan stalling Mr. Starr's efforts to question him or even invoking his Fifth Amendment privilege against self-incrimination — would have been politically, and possibly legally, devastating for Mr. Clinton, making it look as if one of his closest advisers had something to hide.

Instead, Mr. Jordan tried to portray his dealings with Ms. Lewinsky as business as usual for him.

Yes, he said, he had tried to help her find a job, referring her to two companies where he serves as a director. Yes, when Ms. Lewinsky was subpoenaed in the Paula Jones sexual harassment lawsuit, he found a lawyer for her and even escorted Ms. Lewinsky to the lawyer's office to introduce them.

It was a remarkable description of one of the most powerful of Washington power brokers going far out of his way for a lowly and, until this week, largely unknown administration underling.

Mr. Jordan said he had been working at the Pentagon, at the request of Mr. Clinton's secretary, Betty Currie.

He did not explain why Ms. Currie was helping an intern who had left the White House 20 months earlier or whether he had talked to Mr. Clinton about Ms. Lewinsky. To put his intercession into perspective, Mr. Jordan described himself as a believer in the biblical admonition, "To whom much is given, much is required."

A former civil rights leader who now serves on 11 corporate boards and earns an estimated \$1 million a year as a partner in one of Washington's leading law firms, he portrayed the help he gave Ms. Lewinsky as merely an example of how he uses his power to do good.

"I was pleased to be helpful to Ms. Lewinsky, whose drive, ambition and personality were impressive," Mr. Jordan said.

Indeed, Jordan friends said he has quietly helped a number of people, both big players and "little cheees," as one put it, obtain jobs in the administration and land comfortably when they left public service.

Since his brief stint as co-chairman of Mr. Clinton's transition team, the public glimpses of Mr. Jordan have been of the golfing partner, happily driving his friend around the course on Martha's Vineyard, or the Christmas Eve celebrant continuing the tradition of dinner with the president and the first lady.

But he has also been a quiet presence at the White House.

"Whenever there's a problem, Vernon's around to help," a senior official said in 1994, describing the bond that has formed between Mr. Clinton and Mr. Jordan.

When a former associate attorney general, Webster Hubbell, was forced to resign amid allegations that he embezzled from his former law firm, Mr. Jordan stepped in to get him a \$100,000 consulting contract.

When the White House deputy counsel, Vincent Foster, committed suicide, Mr. Jordan joined Mr. and Mrs. Clinton at the Foster home and stayed up with the grieving president until 2 A.M.

A defense lawyer, James Cole, contrasted Mr. Jordan's appearance Thursday with Mr. Clinton's performance Wednesday.

Then the president evoked about whether he had ever discussed testifying in the Jones lawsuit with Ms. Lewinsky and for some time unclear about whether he was denying having a relationship with her in the past, as opposed to an ongoing affair.

"The president got up to make a denial and never made a full denial and he had to kind of evolve his denial," Mr. Cole said.

"Vernon Jordan got up and made a denial — flat-out, straight ahead, here it is."

"If you're going to say something, make it count."

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CLINTON: Aides Rally Around President

Continued from Page 1

seemed to confirm the depth of administration concern, four cabinet members appeared before television cameras outside the White House to insist vigorously that Mr. Clinton had done nothing wrong and that they would continue to tend to the public's business.

"The American people would be ill-served if the president of the United States and his cabinet did not focus on what we have been asked to do or he has been elected to do," Secretary of State Madeleine Albright said, speaking forcefully. "The president is focused on what he has to do, I am focused on what I have to do, the other secretaries are, and I think the American public would be appalled if they thought we weren't doing our job."

She was joined by Donna Shalala, the secretary of health and human services; William Daley, the secretary of commerce, and Richard Riley, the secretary of education.

The president has taken pains to maintain his schedule and project a sense of normalcy, but his aides admit to feeling a sense of siege.

The White House attempt to show that it is conducting business as usual seemed almost surreal Friday.

With reporters clamoring for comment on the affair, Michael McCurry, the president's spokesman, opened a news briefing with a long and leisurely explanation of cabinet discussions totally unrelated to the Lewinsky scandal.

When he finally took questions on the matter, he said Mr. Clinton had spent no time Friday morning addressing the issue, though he was expected to do so later.

Mr. Ginsburg, the Los Angeles attorney representing Ms. Lewinsky, said on ABC-TV that his client had come under pressure while being questioned before the case was brought to public notice.

"I can say that repeatedly during the course of discussions with the office of the prosecutor, we have been squeezed," Mr. Ginsburg said.

"They've even made threats to involve her parents, who, as far as I know, know nothing about the situation."

"They are suggesting perhaps that her parents would be involved as witnesses to some fashion before a grand jury."

Ms. Lewinsky's deposition in the Jones case was indefinitely postponed by the presiding judge in Arkansas, Susan Webber Wright of the Federal District Court in Little Rock.

The former intern, who has reportedly been in seclusion in an apartment owned by her family in the Watergate apartment building in Washington, had been planning to invoke her constitutional privilege not to answer questions that might incriminate her. Mr. Ginsburg confirmed.

She provided an affidavit two weeks ago in which she denied that she had a sexual relationship with the president. According to USA Today, the affidavit contained the statement: "I have the utmost respect for the president, who always behaved appropriately in my presence. I have never had a sexual relationship with the president."

Mr. Ginsburg said in an interview Friday with CNN that "she will stand on the sworn affidavit at this time."

Lawyers representing Ms. Jones denied that they were cooperating with the criminal investigation of Mr. Clinton by the team of Whitewater prosecutors headed by Kenneth Starr.

Mr. Starr, a Republican, has re-

peatedly been accused by Democrats of waging a partisan crusade against Mr. Clinton since he began serving as Whitewater special prosecutor three and a half years ago.

— When reporters asked Mr. McCurry about a possible political motive, he said, "It would be highly improper for us to speculate as to motive."

Mr. McCurry said Mr. Clinton wanted to put the issue to rest but added, "He has to be prepared to do it in a thorough and comprehensive way."

The president's aides originally said that he might hold a news conference on Friday, but later said he wanted to give his staff time to provide investigators with the materials they have subpoenaed about the comings and goings of the former aide.

His political image already appears to have suffered, though no allegations have been proven, and his political leverage and ability to raise funds for his party could be seriously harmed, despite his history of surviving scandal largely intact.

Mr. McCurry acknowledged concerns that U.S. influence could suffer a blow abroad. Foreign capitals, he said, "don't really understand why we do this to ourselves."

There was considerable press speculation about whether Mr. Starr might be able to work out a deal with Mr. Ginsburg for Ms. Lewinsky's cooperation. Her lawyer said he had not heard from the Starr team since Monday.

Mr. Starr's office has said that its only interest in Ms. Lewinsky is as a witness.

Mr. Ginsburg referred to his client Friday as a "target" of the Whitewater criminal investigation. In an interview with The Associated Press, he said he was using the term in the legal sense, meaning someone who is likely to be indicted.

The only charge she appears to be liable to, from what is known, would be to perjury, if in fact her sworn affidavit that she had no affair with Mr. Clinton were to be proven wrong.

Mr. Ginsburg described Ms. Lewinsky as being "devastated, concerned, upset and fearful" — does not know what the future holds.

Asked whether she had been asked to wear a wire and instigate conversations with Mr. Jordan and perhaps Mr. Clinton, Mr. Ginsburg said, "I think that's a very fair assumption, based on my knowledge of the investigatory process that's taken place."

His statement that his client "at this time" stands by her affidavit filed earlier this month stirred speculation about her intent as the matter unfolds and the stakes grow higher.

The scandal that has entangled Mr. Clinton began when Linda Tripp, a friend of Ms. Lewinsky's, provided Mr. Starr with about 20 hours of audio tapes in which she is heard describing a sexual relationship with the president and discussions on hush-up it.

CBS reported that on one tape, Ms. Lewinsky is heard complaining that Mr. Clinton was cheating on her with four other women, three of them White House staff members.

As the affair lurched along, many key questions remained unanswered:

- What exactly will the tapes in Mr. Starr's possession reveal?
- What will White House logs and information show about Ms. Lewinsky's contacts with the president?
- What might Mr. Jordan, who has been subpoenaed to testify to the grand jury, say under oath?

peatedly been accused by Democrats of waging a partisan crusade against Mr. Clinton since he began serving as Whitewater special prosecutor three and a half years ago.

— When reporters asked Mr. McCurry about a possible political motive, he said, "It would be highly improper for us to speculate as to motive."

Mr. McCurry said Mr. Clinton wanted to put the issue to rest but added, "He has to be prepared to do it in a thorough and comprehensive way."

The president's aides originally said that he might hold a news conference on Friday, but later said he wanted to give his staff time to provide investigators with the materials they have subpoenaed about the comings and goings of the former aide.

His political image already appears to have suffered, though no allegations have been proven, and his political leverage and ability to raise funds for his party could be seriously harmed, despite his history of surviving scandal largely intact.

Mr. McCurry acknowledged concerns that U.S. influence could suffer a blow abroad. Foreign capitals, he said, "don't really understand why we do this to ourselves."

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Betty Currie, a White House secretary, and President Clinton in an April photo. Mrs. Currie has been subpoenaed by the independent Watergate counsel in connection with the Lewinsky episode.

How Lewinsky Got the Job

Big Clinton Contributor Recommended Her to White House

WASHINGTON — A retired New York City insurance executive who was one of President Bill Clinton's top contributors recommended Monica Lewinsky for her job as a White House intern, said a former Clinton campaign official and government investigator.

The executive, Walter Kaye, who contributed \$347,000 to the Democratic National Committee and Democratic candidates and was an overnight guest at the White House, helped Ms. Lewinsky obtain her White House position.

Mr. Kaye was friendly with Ms. Lewinsky's mother, Marcia Lewis, author of a book about the opera singers Luciano Pavarotti, Placido Domingo and Jose Carreras.

Mr. Kaye has been one of the president's most stalwart backers, having also contributed in his legal defense fund. He also donated to a legal fund established by Susan McDougal, the Clintons' jailed former business partner who was convicted of fraud in 1996 as part of the Whitewater case prosecuted by the independent counsel, Kenneth Starr.

Thursday and White House sources confirmed that when Ms. Lewinsky returned to visit after she had left to work at the Pentagon, it was Ms. Currie who typically cleared her in.

According to those who have worked with her, Ms. Currie is a polished professional in her late 50s, a relatively apolitical woman who has been drawn repeatedly to intensely political settings.

President Clinton has called her "a calm, reassuring voice."

She first went to work for the government in 1957. During the 1970s, she worked as special assistant to Sam Brown Jr., President Jimmy Carter's appointee to lead ACTION, the agency that includes the Peace Corps. By the next decade, she had moved into Democratic campaigns.

She worked on the 1984 vice-presidential campaign of Geraldine Ferraro, then the 1988 presidential campaign of Michael Dukakis.

She went to work in the Little Rock "war room" during Mr. Clinton's 1992 campaign, apparently because she was a friend of John Podesta, now White House deputy chief of staff.

After the election, she was secretary to the future secretary of state, Warren Christopher, when he was co-chairman of the Clinton transition team. It was her role in the transition that landed her a job as one of Mr. Clinton's two personal secretaries. (WP)

Gatekeeper in the Glare

WASHINGTON — Betty Currie has been the Oval Office's gatekeeper for five years, a meticulous secretary who is unfailingly gracious while sorting out President Clinton's true friends from those who merely claim to be.

Suddenly, this obscure public servant has been thrust into a spotlight only a Washington scandal can shine.

Vernon Jordan Jr. acknowledged that he had helped Ms. Lewinsky look for a lawyer and a job. It was Ms. Currie, Mr. Jordan said, who asked him to help Ms. Lewinsky, the former White House intern who allegedly had a sexual relationship with President Clinton. Mr. Starr, the independent counsel, subpoenaed Ms. Currie on

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No Comment on Chelsea

PALO ALTO, California — Stanford University has declined comment about how Chelsea Clinton is handling the scandal around her father.

"We do not discuss any students individually unless they have done something that we view is Stanford news," said Terry Shepherd, a spokesman for the university.

Chelsea Clinton enrolled last fall at Stanford. Her parents asked the media not to bother her at college. (Reuters)

STRATEGY: Clinton's Political and Legal Advisers at Odds

Continued from Page 1

answer the allegations publicly, his lawyers — including the White House counsel, Charles Ruff, and a private attorney, David Kendall — have warned in sharp terms that Mr. Clinton must keep his public answers terse and undetailed until they can assemble more facts about Mr. Clinton and Ms. Lewinsky and make a more complete assessment of the legal threat Mr. Clinton is facing from the Whitewater independent counsel, Keo Oeth Starr.

The dispute in the White House, as several people described it, was essentially over timing as well as the feasibility of getting answers that will not be contradicted.

The political team — including his advisers Rahm Emanuel, Paul Begala and Douglas Sosnik — argued that Mr. Clinton must provide answers rapidly to put out the firestorm of negative publicity and keep his policy agenda from being reduced to an irrelevancy.

The lawyers, while agreeing that Mr. Clinton's problems have both a political and legal dimension, said they need to be especially methodical in compiling critical information — such as how often Ms. Lewinsky visited the White House after she left her job there to work at the Pentagon in April 1996; how often she spoke with Mr. Clinton and what other charges Mr. Starr may be pursuing — before Mr. Clinton ventures forward with his version of events.

Some White House advisers noted how starkly Mr. Clinton's tepid responses contrasted with the aggressive responses he has often given when faced with allegations before.

"There are a lot of people who want him to break out of the lawyers' trap he's in and be himself," said one member of what he called the "let-Clinton-be-Clinton" crowd.

Recent days have also illustrated how, in this controversy, even years-old Clinton statements are being dissected anew for veracity, presenting further problems for Mr. Clinton.

Mr. Clinton's reputation for semantic contortions is hurting his public defense now.

One White House official, who rejects the idea that lawyers are insensitive to the public relations aspect of the controversy, said the goal was to present enough facts to convince people that Mr. Clinton is not hiding behind rhetorical dodges.

About a half-dozen meetings were held Thursday between the political and legal teams at the White House to discuss public relations strategy. While the lawyers — Mr. Ruff, Mr. Kendall and Robert Bennett — are allowed in the communications meetings, the political advisers are not allowed in the legal strategy meetings.

Even Critics Of Counsels Believe Starr Acted Rightly

By John Mintz
and Toni Locy
Washington Post Service

WASHINGTON — For years, critics have accused independent counsels of conducting costly and ever-expanding investigations that have resulted in the criminalization of American politics.

But even some of those most skeptical about the 1978 law that established the counsels said that the Whitewater independent counsel, Kenneth Starr, seemed on firm legal ground when he sought and received judicial permission to expand his inquiry into whether President Bill Clinton urged a 24-year-old former White House intern to lie in sworn testimony.

Adding to the independent-counsel criticism, the outside attorneys prosecuting a former Clinton housing secretary, Henry Cisneros, and a former agriculture secretary, Mike Espy, have been harshly criticized for going beyond the scope of their initial charges, targeting peripheral players and spending on much time and money investigating offenses that, even if proven, might not warrant the effort.

In his secret application to Attorney General Janet Reno last week, sources said, Mr. Starr justified the expansion by pointing out that his team was already examining allegations that Vernon Jordan Jr. tried to buy the silence of a former Justice Department official, Webster Hubbell, by lining up consulting jobs for him. Mr. Starr's sources said, asserted that the new allegations that Mr. Jordan urged Monica Lewinsky to lie by denying she had a sexual affair with Mr. Clinton and that Mr. Jordan was helping her find work in New York were closely related to the earlier investigation of Mr. Jordan.

"If Vernon Jordan's actions are a subject of the new investigation, then that seems reasonably related to the pre-existing probe," said Terry Eastland, a former Reagan administration official in the Justice Department and a critic of the independent counsel law. "I'm not troubled by this at all."

"Starr did precisely what any good prosecutor would do," said Joseph diGenova, a former independent counsel who is a leading critic of the use of such independent prosecutions.

Alexia Morrison, who was an independent counsel in the 1980s examining a Justice Department official for allegedly misleading congressional testimony on environmental records, said that Mr. Reno's approval of Mr. Starr's request insulates him from criticism.

The new investigation centers not on whether Mr. Clinton had an improper sexual relationship but on whether "the chief law enforcement officer in the land was screwing around with the justice system," she said.

Mr. diGenova called the independent prosecutor law "a constitutional monstrosity and a legislative disgrace" because it strips the Justice Department of its prosecutorial functions.

But Mr. diGenova said that Mr. Starr did the right thing on Jan. 12, when a Lewinsky friend, Linda Tripp, approached him with tapes that she surreptitiously made of Ms. Lewinsky allegedly describing her dalliances with Mr. Clinton and his appeals that she lie about it. Mr. Starr then asked the FBI to place a recording device on Ms. Tripp and have her talk to Ms. Lewinsky.

Mr. diGenova said there was no way Mr. Starr could have gone to the attorney general for approval of an investigative expansion based on tapes secretly made by a person who was not a law enforcement officer.

Had Mr. Starr gone with Ms. Tripp's tapes, Mr. Reno and the judges could have questioned the tapes' authenticity, Mr. diGenova said.

Criticism of Starr

David G. Savage of the Los Angeles Times reported:

Mr. Starr's allegations renewed complaints among administration supporters about the independent counsel.

"This shows if you can keep yourself in business for five years, you can find something to go after," said Stanley Brand, a former Democratic House counsel. "As a legal matter, I question his right to go into anything like this."

Lawrence Walsh, the former Iran-contra prosecutor, also voiced his discomfort about the latest turn in the Whitewater inquiry.

Prosecutors "should stay out of intensely personal matters," Mr. Walsh said, and focus on "official business. I don't think they should be drawn away into something highly personal."

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Seeking the Truth

Tell the Whole Story

The term "carefully worded" has appeared in almost every description of President Bill Clinton's denials of sexual involvement with a former White House intern, Monica Lewinsky. Other words that could be as easily applied are cryptic, partial and insufficient. Those terms also apply to Vernon Jordan's compact statement that had, in addition, the unwholesome feel of an attempt to portray the president's secretary, Betty Currie, as a central player in the attempt to find a job and a lawyer for Ms. Lewinsky.

This approach, which depends so heavily on omission and elision, is appropriate to people who believe themselves to be targets of a criminal investigation. But it is not sufficient for Mr. Clinton's other role as leader of the nation. In that role, he has to do more than offer chips of fact too disconnected to amount to a coherent mosaic by which the public can judge the viability of his political leadership and the authority of his moral leadership.

It is time for Mr. Clinton to tell the whole story in all its detail and context. The proper forum is a televised evening speech to the nation, before the State of the Union address next week.

The nation has heard enough from press secretaries and lawyers. This is a presidential-scale task. The proper audience to receive the president's report is not a handful of citizens in a grand jury room, but the national constituency that put him in office. There is much to be said for the calm atmosphere of the televised evening

speech, which has been used by every modern president at times when the nation was riven by doubts about the quality of its leadership. That could be followed by a press conference with full opportunity for questioning.

Mr. Clinton needs to tell his story not in bits and pieces, but with the complete context that only he can know. His pinpoint denials will never enable anyone to understand the larger narrative of which Ms. Lewinsky and her tape-recording confidante, Linda Tripp, are a part. Only the president knows why an obscure young woman was apparently drawn, at the least, into the gift and advice-giving orbit of two of the most powerful men in Washington. Only the president knows if he left recorded messages on her answering machine or if, as CNN reports, he spoke to Ms. Lewinsky as recently as the early part of this month and used the words "deny, deny, deny." Only he knows if he was involved in receiving what Newsweek magazine describes as nine letters or packages sent by Ms. Lewinsky to the White House between Oct. 7 and Dec. 8.

All this alleged White House contact may be innocent, but it was palpably odd, considering that Ms. Lewinsky is reported to have been exiled to the Pentagon for inefficiency. The constructed answers of Mr. Clinton and Mr. Jordan have added to the oddity, not dissipated it. A complete, factual account by a president who is interested in telling his story is the best answer for a nation that has not prejudged the facts but is understandably troubled and mystified by them.

—THE NEW YORK TIMES

Another Denial

Six years ago this month, Bill Clinton, presidential candidate, gave an interview with CBS's "60 Minutes" in rebuttal charges by Gennifer Flowers that the two had had a 12-year-long sexual relationship.

The accusation, published first by a supermarket tabloid and then by every one else, had been dogging his candidacy, and discussing it directly on national television on Super Bowl Sunday was a bold move that may have resurrected his bid for the Democratic nomination.

While Mr. Clinton acknowledged "causing pain in my marriage" in general, he was unequivocal on the Flowers matter specifically. "That allegation is false," he said. The Arkansas governor described his relationship with Ms. Flowers as "friendly but limited." And he insisted that "I have absolutely leveled with the American people."

But The Washington Post reported (1/17, p. 23) that people close to the case said that in his deposition Saturday in Paula Jones's sexual harassment lawsuit against him, Mr. Clinton admitted having an affair with Ms. Flowers during the 1970s. A presidential spokesman, Michael McCurry, took indirect issue with the report. He said that both the president's deposi-

tion testimony and his 1992 statements had been truthful and they were "not at odds" with one another. He would not, however, answer a direct question as to whether Mr. Clinton had ever had an affair with Ms. Flowers.

Only those privy to the full text of Mr. Clinton's testimony can know for sure whether it is consistent with his public denials that he and Ms. Flowers had an affair. It is possible that the specific wording of remarks and the testimony may be, in some tortuous, legalistic sense, reconcilable with one another. But if he testified the other day that an affair took place, it will be a reversal of what he declared while trying to save himself back then.

It is worth keeping Mr. Clinton's public remarks concerning Gennifer Flowers in mind in considering his denial that he had any "improper relationship" with Monica Lewinsky. In an interview with Jim Lehrer on PBS on Wednesday, the president said "there is not a sexual relationship, or any other kind of improper relationship" between him and Ms. Lewinsky. Until the president's testimony can be examined in full, the renewed questions about Ms. Flowers can only make people wonder whether Mr. Clinton has leveled with the public about this latest charge and what, if anything, his denial really means.

—THE WASHINGTON POST

A Welcome Arrest

For the first time, U.S. troops in Bosnia on Thursday led a successful operation to arrest an indicted war criminal. The detention of Goran Jelenc is another welcome sign of a re-invigorated NATO and Western effort to enforce the Dayton accords and build peace in the former Yugoslavia.

"There is no statute of limitations on war criminals," the U.S. defense secretary, William Cohen, said after the arrest. That's a message which, if backed up, will resonate throughout Bosnia and beyond. Others accused of war crimes will feel less secure, and ordinary citizens will feel more inclined to be on peace.

Only 21 people accused of war crimes — out of 75 openly indicted — are now in custody, but the pace of arrests is accelerating. British troops arrested one suspect and killed another last July in the first such NATO operation, and Dutch soldiers detained two Croatian suspects last month. U.S. troops played supporting roles in both those missions. U.S. officials also played an important part last October in persuading the Croatian government to turn over 10 war-crimes suspects.

The arrest of Mr. Jelenc is important in part because of who he is — one of only seven indicted charged with the

most serious crime of genocide. According to the indictment by the UN-sponsored war-crimes tribunal in The Hague, Mr. Jelenc murdered at least 16 Muslims and ran a concentration camp where many others were killed. Before being shot, some victims were forced to place their heads on a metal grate that drained into the river, to minimize cleanup afterward, according to the indictment.

NATO's failure to arrest more people sought in war-crimes cases has stalled the peace process in many ways. The impression that U.S. forces would not risk taking any casualties to arrest suspects has to some degree eroded their effectiveness overall. Refugees have been less willing to return home as long as the swarming ultranationalists were not only at large but in charge.

Now the Serb nationalists, at least, are in retreat. A moderate prime minister has taken office in the Serb portion of Bosnia. Radovan Karadzic, the ultimate indictee, is increasingly less protected, and those who have supported him increasingly must see they are on the losing side. As long as this first arrest is not the last, the forces of peace will be strengthened.

—THE WASHINGTON POST

IMF Ignores the Bigger Problems in Indonesia

By Douglas H. Paal

JAKARTA — The recent agreement between President Suharto of Indonesia and the International Monetary Fund on a second package of reform and austerity measures deals with only part of the country's economic crisis. The IMF package attacks the Suharto circle's stranglehold on business. Although a necessary contribution to Indonesia's rescue, it is not enough.

First, something has to be done about the staggering \$65 billion owed by Indonesian corporations to foreign creditors. The scramble by Indonesian businesses to maintain repayments is driving down the value of the country's currency, the rupiah, while driving up the cost of new credit for well-run companies from newly gun-shy Western creditors. Making this situation all the more unworkable, Indonesia lacks effective bankruptcy laws to assure empty-handed creditors of some recourse if all else fails.

The IMF seems to have chosen not to consider this complex issue in its efforts to jump-start the Indonesian economy. We can guess why. Many European, Asian and some American leaders overlooked the inadequacies of the Indonesian legal system and decided to put their trust in their debtors' connections — the "relationship" deals that are now under attack. It would be hazardous for the IMF to try to persuade its contributing governments to bail out bad decisions by bankers.

But if credit remains cut off, Indonesian exporters will be unable to take advantage of their new competitiveness and grow the economy again. Letters of credit are already at prohibitively high interest rates; they promise to be even higher as inflation kicks in over the next few months as subsidies end for fuel and food. Deflation and vast unemployment are the real prospect ahead.

There is an urgent need for a bargain between international creditors and their Indonesian borrowers. For example, David Hale, global economic strategist at Zurich Kemper Investments, has suggested a grace period for repayment of principal for, say, three

years in exchange for an Indonesian agreement to pass laws on bankruptcy and financial reporting. This kind of idea has so far found no response.

The second problem is Indonesia's political uncertainty. In power for 32 years and having just declared for a seventh five-year term as president, Mr. Suharto seems to be unaware that a middle class of 20 million to 30 million people has abandoned him.

This huge shift in opinion is not readily apparent. Mr. Suharto's control of the military and the security apparatus has squelched organized opposition and criticism in the Indonesian press. But a visitor talking to virtually any Indonesian outside the government itself cannot miss this swing in sentiment.

Rather than turn to the streets in protests and violence, the new middle-class opposition places its faith in mar-

ket forces. The falling rupiah is the weapon of choice to bring down the regime. Thus there is resentment in some quarters when the United States and others intervene to support the ailing economy; they prefer that outsiders help after Mr. Suharto is gone.

The rupiah-as-weapon strategy was on display this week with speculation that a Suharto crony, Research and Technology Minister B.J. Habibie, might be chosen as Mr. Suharto's vice president and possible successor. The selection of Mr. Habibie, an advocate of state-supported industry, would represent a rebuke to the preaching of the IMF. When the rupiah fell through the 11,000 barrier after the rumors, his opponents took heart.

But Mr. Suharto could be playing a game with the vice presidency, harboring no intention to cede real power to a successor and planning to reassert himself when the economic storm blows over. He has already qualified some of his assurances to the IMF.

A combination of incompetence and insouciance within the Suharto government will deter foreign creditors and investors from taking risks in Indonesia just when it most urgently needs new capital and confidence.

How the growing dissatisfaction with Mr. Suharto will resolve itself — a paroxysm of street violence, a quiet departure in the night, a sudden death — is highly uncertain. But until that resolution occurs, the IMF reforms perhaps fatally diluted, and prospects for economic recovery and renewed growth elsewhere in Southeast Asia blighted. As the world's fourth most populous nation, Indonesia casts a long shadow over the region — for better or worse.

The writer, president of the Asia Pacific Policy Center in Washington, contributed this comment to the International Herald Tribune.

They're Out of Favor and Out of Work

By James N. Purcell Jr.

GENEVA — The economic crisis in Asia affects much more than just the world's financial markets: millions of migrants are at risk of losing their jobs, which could lead to a wave of displaced workers forced to look for employment far beyond Asia.

The booming nations of Southeast Asia in the past decade attracted millions of workers from less fortunate countries nearby, particularly Bangladesh, Burma and the Philippines. Many of these migrants are working illegally. For example, Malaysia's estimated 1.8 million foreign workers are reported to include at least 800,000 illegal migrants. South Korea has more than 140,000 illegal foreign workers. An estimated 700,000 of Thailand's 1 million foreign workers are unauthorized.

As might be expected, there have already been calls to expel these foreign workers, even though they are often vital to the economies of their

host countries. Many toil in low-paying jobs and are unlikely to be replaced by citizens, even unemployed ones, who scorn such menial work. Large-scale deportations are difficult and expensive to organize and usually turn into a public relations nightmare for the host country. It is nevertheless likely that a large number of foreign workers will have to leave, either because they can no longer sustain themselves in their new homes, or because host countries cannot pay the political price of their continued presence.

The effect of this economic down-

Millions of migrant workers could suffer.

turn on migrant labor could have a significant impact on labor markets in the region and beyond. The International Organization for Migration, which I head, is embarked on efforts to better define the dimensions and the impact of the problem both in the region and beyond. Asian countries themselves need to consider the issue as a part of their overall approach to solving their problems. Otherwise, a growing number of desperate people will consider the long, risky and often illegal journey to find better opportunities in Australia, Japan, Europe or North America.

The next wave of "boat people" — driven this time by economics, not politics — might not be far away.

The writer, director general of the International Organization for Migration, an intergovernmental agency in Geneva, contributed this comment to the International Herald Tribune.

A Black Day for the President and the Nation, Too

By David S. Broder

WASHINGTON — The White House is filled with ghosts. Many presidents have written and spoken of the palpable sense that the rooms in which they work and live are filled with the spirits of their predecessors. Madison and Jackson and Lincoln and both Roosevelts are not just portraits but presences.

If President Bill Clinton has the sense of history I think he does, he has to be feeling the ghosts of two of those past presidents hovering nearby this week: John F. Kennedy, the man we belatedly learned carried on a variety of reckless assignments inside and outside the White House, and Richard Nixon, who was driven from office for covering up his guilty knowledge of crimes.

The news of the latest accusations against Mr. Clinton broke suddenly but not entirely unexpectedly. As in Watergate, each event is just the most recent episode in an unfolding saga. Still, it has shocked the capital and the world.

Once again, a nation that de-

serves better of its leaders is dealing with tales of incriminating tapes, of reports that gifted lawyers counseled or counseled lawbreaking. It is listening to a president give clipped, strained nonanswers, all the while insisting that he is cooperating fully with the investigation of his actions. Once again, the president's defenders are asserting this is an effort by partisan enemies to divert him from the serious work of governing that the voters entrusted to him.

A journalist must spend years until the facts are known. But to believe Mr. Clinton's denials, one must once again presume that a succession of women over a period of two decades have concocted tales of his sexual prowling and invented charges that he told them how to camouflage the truth.

The public is properly skeptical of these tales when they first appear. They seem so implausible — so jarringly out of sync with the public picture

these presidents present. Jack and Jackie Kennedy were the idealized, romantic young couple in a Camelot White House.

Why would he have been trafficking with hookers and gangsters' molls? Why would Mr. Nixon, the master of subtle diplomacy, have been making foul-mouthed, half-drunk plots to bug his enemies and break into their files?

The public Mr. Clinton has been so soft, so charming and increasingly so successful a president that the stories of his scheming have been relegated to a separate compartment of the national consciousness. The gap in his poll ratings between job performance and personal character has been wide and persistent.

As long as the bright side of Mr. Clinton was on view and the dark side was distant in time and place, the separation was relatively easy to maintain. But this latest investigation by the independent counsel Kenneth

Starr has brought the ugliness into the 1990s and into the White House itself.

Mr. Clinton is steadied now, not just by his lifelong history of talking his way out of jams that would have sunk most others, but by the readiness of his close associates, starting with his wife, to step forward in his defense. Hillary Rodham Clinton has done that often, but so have others, both men and women.

From boyhood on, people who met Mr. Clinton even casually recognized his exceptional intelligence, personal empathy and persuasiveness — and saw how far those gifts could carry him in his ambition for public service.

They were not wrong. Those qualities have made him the first Democrat since Franklin D. Roosevelt to win two terms

in the White House and have brought him to a moment when his greatest achievements seemed to beckon. In part because of the courageous battle he fought to attack the inherited deficits in his first year in office, he is about to present the nation the prospect of an era of balanced budgets.

In his State of the Union address scheduled for Tuesday night, he plans to start an effort to use possible budget surpluses to avoid the long-term threat of bankruptcy in the Social Security system — perhaps the greatest achievement of his party in this century — and assure its survival for future generations.

All that is threatened, and it makes what is happening more than a personal drama. It is a black day for the nation.

The Washington Post

Why Take the Risk?

In the wake of the latest accusations against President Bill Clinton, most striking are the reactions of ordinary Clinton backers, people who had shouted their defenses of the president not on talk shows but over coffee at kitchen tables or backyard barbecues. When their anti-Clinton neighbor or co-worker had cited Rush Limbaugh or a million other Clinton critics, they said, no, the president has his flaws, but he's a good president and his enemies are out to get him.

That changed Wednesday with the new accusations. In my nonscientific survey, almost all of these supporters are angry. At some level, most accept that something happened between Mr. Clinton and this young woman — even though most thought he was too smart to give anyone direct encouragement to commit perjury. Their fury is in some cases

about morality but in all cases about the prospect of such responsibility. Why, they ask, would he risk his presidency for such an affair?

The information that's emerged so far — and the president's lawyerly responses — sharply diminish hopes that this will prove to be a lie in all respects. I suspect I'm like most Americans: I want the president to be telling the truth and all of this to be a terrible invention. One of the people I spoke with is a senator and a Clinton supporter. Until Wednesday he thought Mr. Clinton was about to enter the most promising period of his presidency. The senator said he hoped the charges were false. He said it almost prayerfully. He did not sound convinced that his prayers would be answered.

—E.J. Dionne, writing in The Washington Post

Smart, Successful, Insulted

By Bob Herbert

NEW YORK — While Clinton officials are traveling the country having feel-good conversations about race, somebody ought to take notice of Randall Robinson's anger.

Mr. Robinson is the usually friendly, self-effacing, relentlessly hard-working president of TransAfrica, an organization he founded in 1977 to influence U.S. policy toward African and Caribbean countries.

TransAfrica led the fight, so vigorously opposed by President Ronald Reagan, to impose economic sanctions on the apartheid government of South Africa.

Mr. Robinson is a graduate of Harvard Law School. He is tall and handsome and laughs easily. He conducts his business with the exquisite politeness one associates with career diplomats.

Now, at age 56, he has written his memoirs. The book, "Defending the Spirit: A Black Life in America," will be published by Dutton on Feb. 2. It opens with a public comment made in 1994 by Senator Ernest Hollings of South Carolina.

"Everybody likes to go to Geneva," Mr. Hollings said. "I used to do it for the Law of the Sea conferences, and you'd find these potentates from down in Africa, you know, rather than eating each other they'd just come up and get a good square meal in Geneva."

Mr. Robinson found that to be as hilarious as the time at Harvard, back in the '60s,

when a fellow law student encountered him in the library and inquired, "Are you the janitor?"

Or the time, in 1956, when his parents bought a home on East 39th Street in Richmond, Virginia. The Robinsons were the first black family on the block. "Within six months of our arrival," he writes, "the single long 600-block of East Thirty-Ninth Street would be all black."

"Defending the Spirit" is Mr. Robinson's account of his inability, despite a world-class education and tremendous professional success, to escape the humiliating trap of racism. And it is about the ways in which twisted attitudes about race have shaped U.S. foreign policy.

Mr. Robinson writes: "In May 1981, as Secretary of State Alexander Haig sat with South African Foreign Minister Roelof Botha on the seventh floor of the State Department to discuss a new era of friendship between the United States and South Africa, twenty-eight million black South Africans were completely without rights. They were required to carry racial identity passbooks. They had no right to vote, assemble or express themselves freely."

As Mr. Haig and Mr. Botha were meeting, Nelson Mandela was in the middle of his 27 years of imprisonment. Mr. Robinson makes no attempt to conceal his bitter-

ness. "What have I done with my pain?" he asks. "I am not eager to know. I can find no answer of which I can be proud. White-hot hatred would seem the proper reflex. But there is no survival there. In the autumn of my life, I am left regarding white people, before knowing them individually, with irreducible mistrust and dull dislike."

When I asked him about that passage, Mr. Robinson said: "I was trying to write what I feel. It probably should have illustrated, if it were honest, more hurt than anger, but anger's the protective side of hurt."

He said he had seen too much damage and been wounded himself too often to function without his defenses carefully in place. "So I've built that wall around myself," he said. "This is the consequence of a life's experience."

Not long ago Mr. Robinson dropped by a small country hardware store in rural Virginia. He walked past two young white men in overalls. A moment later he could hear one of the young men telling the proprietor that "a boy" had been looking for him.

It didn't matter that the "boy" was tall, well-dressed and middle-aged. It didn't matter that he had dealt with presidents and other heads of state. Perhaps, Randall Robinson would later think, it shouldn't have bothered him so much. But it did. It was one more rip in a perpetually open wound.

The New York Times

Herald Tribune

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A Cultural Leap in Karlsruhe

By David Galloway

KARLSRUHE, Germany — Despite its significance as a Rhine harbor and industrial center, the city founded in 1715 by Margrave Karl Wilhelm of Baden-Durlach figures in few touristic itineraries. Yet its cultural attractions are far more extensive than a population of 270,000 would lead travelers to expect.

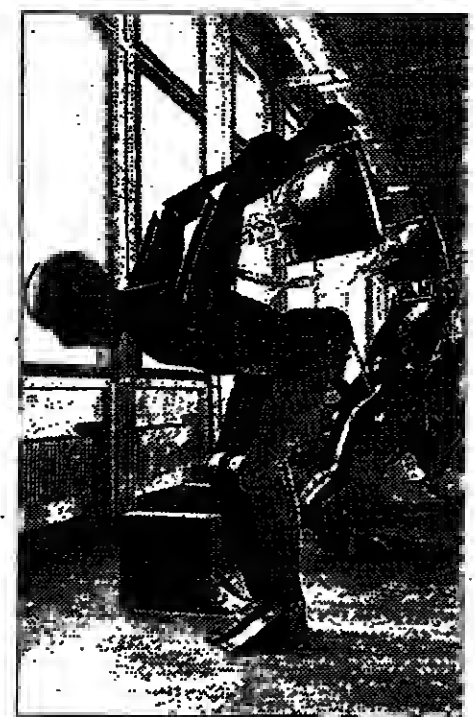
That Karlsruhe's first-class museums are so little known to a larger public has at least something to do with the shoulder-to-the-wheel pragmatism of its inhabitants. As one local wag has observed, "They not only put their cultural light under a bushel but promptly sit down on the basket." As a result, a visitor may find himself virtually alone in Karlsruhe's magnificent Baroque palace, which houses the State Museum. Its extensive holdings — including the celebrated Memminger Altar — document some 5,000 years of European cultural history.

Among the other well-kept secrets is the Museum für Kunst und Medien (MuK), founded in 1993 as the country's only institution devoted to the applied arts of this century. The city's Kunsthalle, with paintings from the Middle Ages to the present, ranks as one of Germany's most beautiful museums. And Karlsruhe has two art academies, the region's most extensive fine-arts library, Europe's largest institute for computer sciences and a number of important archives including one that documents the production of majolica in the region.

With the recent opening of the Karlsruhe Center for Arts and Media (ZKM), the era of obscurity would seem to be drawing to a close. For 154 million Deutsche marks (\$85 million), the city has renovated a former munitions factory to house an Academy of Design, a Media Museum and a Museum for Contemporary Art, which places painting, sculpture, photography and new-media art on an equal footing.

The Municipal Gallery, focusing on regional artists, has also found a new if somewhat incongruous home here, and a Collectors' Museum will round out the complex in two years' time.

THANKS to the generous spaces and the sensitive installation of works in the Contemporary Arts Museum, even the faint sounds of distant beeping video games seem less a distraction than a lure to move into other, unexplored corners. So far as more traditional arts are concerned, the Contemporary Museum has



Frank den Ouden's "Floating Identities," done in 1995.

understandably focused on younger artists and tends to present groups of works rather than isolated examples. One can quibble with individual choices and regret, even, the inclusion of two anemic photographs by Robert Rauschenberg. Contemporary photography, however, makes a relatively strong showing, while the ingenious video installations of Fabrizio Plessi and Marie-Jo Lafontaine should convince even die-hard skeptics that this is a medium that has reached full aesthetic maturity. It is impossible to make similar claims for the interactive and "virtual" works on view. These, on the other hand, are part of the Media Museum, which intentionally stresses an experimental, workshop character.

Combining teaching, research and exhibition facilities under a single roof was the brainchild of 62-year-old Heinrich Klotz, who struggled for eight years to turn his vision into reality. A former journalist, art historian and university professor, Klotz first showed his skills at bucking the odds when he became founding director of Frankfurt's Architecture Museum, which at his urging became part of the museum embankment along the Main River.

Klotz's interdisciplinary, multimedia concept has been described as a sort of "Digital Bauhaus," and enthusiasts have compared the results to the Pompidou Center in Paris. Klotz has persuaded leading artists and theoreticians to join his faculty.

Plainly, the entire ZKM complex is a work in progress, which will require considerable and more or less continuous fine-tuning.

David Galloway is an art critic and freelance curator based in Wuppertal, Germany.

An Old Master and New Minimalism

LONDON — If exhibitions can ever rate as masterpieces in themselves, this is it. Small, admirably presented, "Recognizing Van Eyck," at the National Gallery until March 15, defines a new genre, the minimalist art show, focusing on a few works by a major master.

Jan Van Eyck is as elusive a figure as his work is enigmatic. He was born, historians presume, at Maaseik, near Maastricht, on a date that has yet to be discovered. The earliest

Souren Melikian

record of his name, in 1422, tells us only that he was a painter in the Hague attached to the ruler of Holland, John of Bavaria. By 1425, Van Eyck had switched to Bruges and Lille in circumstances unknown. His recorded work covers nine years from 1432 to 1439. He died in 1441.

Reading between the lines, one surmises a man of outstanding intelligence — a 16th-century Flemish source quoted by Elisabeth Dhanens in her masterly monograph "Van Eyck," published in 1980, says as much. To Philip the Good, Duke of Burgundy, Van Eyck the court painter was also a trusted adviser. When an embassy was dispatched to Portugal in 1428 to finalize the details of a marriage between the duke and Isabella of Portugal, the painter was included in the party, pointing to a man at ease among the high and mighty.

While archives and later sources give us little more than tantalizing hints at the life story and the personality of Van Eyck, several of the artist's 20 pictures that survive supply startlingly precise indications. The earliest of all is one of the most extraordinary West European paintings in the 15th century.

It did not travel to London, nor should it — "The Adoration of the Lamb" has been standing in the cathedral of St. Bavon (originally the Church of St. John) in Ghent since Day One. The outer frame carries a Latin quatrain in Gothic lettering, now partly erased, which raises several questions. It begins by praising Jan's brother: "The painter Hubert, the greatest one ever noted began [this]. [Carrying] the burden, Johannes [=Jan], the second in art, complied with the wish of Joos Vijd [who, with his wife, commissioned a chapel in the church]." The date, May 6, 1432, follows in the form of a chronogram.

WAS Hubert an elder brother acting as a master? We do not know. Even more puzzling is the question of his contribution. Did Hubert physically participate in the painting? Unlikely, Jacques Lascaille remarked in "The Century of Van Eyck," that laboratory analysis reveals neither discrepancies, nor corrections, and that every technical detail is consistent with Jan's fully signed work.

The polychrome is a landmark in European art. Despite the lamb standing amidst groups of worshippers, the central panel, can be seen as the first large European landscape — nature and urban elements in the distance are essential to the com-



The celebrated double portrait in the Van Eyck show.

position. Moreover, when closed, the wings display the inside view of a room without any human presence. On one side, three objects are depicted with peerless precision — a brass lavabo, a basin and a towel hanging from a rail — effectively composing an admirable still life, another first in Europe.

A third genre is represented in the picture, the psychological portrait. A whole gallery of them appears in the four groups, with infinite diversity. These can barely be made out from some distance away in the cathedral, and this is where the National Gallery's show becomes irreplaceable.

It begins with small portraits, each one of which can be focused upon as seldom before. A small likeness that has every appearance of being a self-portrait shows a man turned three quarters looking at the viewer with cool appraising eyes and the thinnest possible smile of repressed irony. His Iranian turban has been described as "fanciful" by Western historians but it comes so close to the Iranian turban as to suggest some deliberate adaptation of the idea. Such a conceit, common among painters in the 15th century, but odd in the 15th century, is the earliest example of exoticism in Western dress. It has yet to be explained.

The inscriptions yield nothing on that score: On the lower frame, the painter left his name in Latin majuscules inspired by Roman antiquity and the date "1433, 21 October." On the upper frame, his motto "Als Ich Kan" (As [best] I can) is given in Greek capitals. The choice of the two alphabets,

eminently idiosyncratic, is equally curious. A second portrait poses other riddles. A man of uncertain age without hair, eyebrows or eyelashes stares, frozen in untold sadness. He appears behind a low stone parapet with a French inscription in Roman majuscules "LEAL SOUVENIR." "[In?] faithful memory." Above it, Greek minuscules may be read as "Timotheos" and, below the French words, a third inscription in Gothic letters says, in Latin: "By deed [?] am: so far, historians assumed it to be missing an m and read *actum*, understood as *dum*." In the Lord's year 1432, from Iohannes de Eyck. "Was there a man called Timotheos? Was this painted as a souvenir of a deceased man, to honor a promise? Again, the conundrums remain unresolved.

But all this pales by comparison with the famous double portrait of a man and a woman standing in a room. The man with an extraordinarily ungainly face raises his right hand in a ritual gesture of commitment while extending his left hand to hold the woman's. Some have read this as a "left-hand marriage," implying a morganatic union between persons socially unsuited.

OTHERS believe the woman is pregnant. The protective gesture with which she covers her body and her expression of smiling dreariness would lend credence to that assumption, which finds further support in the figure of St. Margaret, protector of mothers-to-be, carved on a high-backed seat.

The mystery does not stop here. On the wall behind the couple, a Gothic inscription states in Latin that "Jan Eyck was here," with the date, 1434 — apparently the painter acted as a witness. Historians believe that the foppish man is a member of the Arnolfini family of tradesmen from Lucques, but hesitate between at least two candidates.

Some details of the image are also intriguing. The precision of the brass chandelier suggests that Jan van Eyck had more than a passing acquaintance with metalwork design. His portrait of a goldsmith, Jan de Leeuw, is another reason for investigating this possibility.

Perhaps, however, this merely goes together with the almost obsessive precision that characterizes all details in his pictures, from brocades to architecture. In one of Van Eyck's most admirable works, "St. Barbara," painted with the tip of the brush in the manner of a pen and brown ink drawing, the church under construction behind the saint bears an uncanny resemblance to the unfinished south tower of the Cologne cathedral as it stood until the early 19th century, as Dahms discovered. The elevation could be that of a practicing architect.

The mastery of ancient languages, the psychological sharpness, the craftsmanlike accuracy in material details, all go to outline the profile of a supremely literate Renaissance man of many skills.

As one leaves the show, it is hard to resist the feeling that a kind of northern Leonardo is beginning to emerge from the shadows of history.

Museum Challenges Schiele Subpoena

By Judith H. Dobrzenski
New York Times Service

NEW YORK — The Museum of Modern Art has moved to quash a grand jury subpoena requiring it to retain two paintings with disputed ownership that were lent to the museum for its "Egon Schiele: The Leopold Collection" exhibition.

The museum said the paintings, which were borrowed from the Leopold Museum in Vienna, are shielded from de facto seizure of any kind by the New York state Arts and Cultural Affairs Law, enacted 30 years ago.

The case turns on a difference of opinion on the scope of that statute, which protects cultural loans. Manhattan District Attorney Robert Morgenthau, who issued the subpoenas on Jan. 7, just hours before the paintings were to be shipped back to Austria, says the law's protection does not extend to property in a criminal

investigation. But the museum said that the statute was unambiguous and unqualified. "The New York Legislature, using broad and all-encompassing language, provided that any work of art on public exhibition in New York state (or traveling to or from such exhibition) is absolutely immune from any kind of seizure," it said in its motion. In court Thursday, the district attorney's office agreed to respond to the museum's motion Feb. 9. The museum will reply by Feb. 17, and Judge Laura Drager said she would decide by March 5.

The paintings, "Portrait of Wally" and "Dead City," are claimed respectively by the Boodi and the Reif families, who say the works were confiscated by the Nazis.

Dr. Rudolf Leopold, a 72-year-old Viennese ophthalmologist who acquired the works years ago as part of a huge collection, has steadfastly said he obtained the works legally. In 1994, he sold

the collection to an Austrian government-financed foundation, which is building the Leopold Museum.

"I hope that the Museum of Modern Art will win," said Klaus Schroeder, the managing director of the Leopold Museum, reached in Vienna. "This is a sensitive case, but it is not one for the district attorney of New York. We must all get out of that situation."

The museum, in explaining its challenge, asserted its concern for resolving ownership issues surrounding these and other paintings suspected of having been stolen by the Nazis. But it said in a statement: "The merits of the claims relating to these paintings do not require their presence in this venue, and the issuance of the subpoena poses grave risks to the ability of all museums in New York to undertake the kind of exhibitions which are so important and beneficial to the people of New York and the state's visitors."

BOOKS

THE SIMPSONS: A Complete Guide to Our Favorite Family
Created by Matt Groening.
Edited by Ray Richmond and Antonia Coffman. 249 pages. Paperback, \$15.95.
HarperPerennial.
Reviewed by Michael Dirda

FOR a long while, I used to scan the TV listings when I felt really tired, hoping to find some program to soothe a troubled soul or tired brain. Alas, almost nothing ever looked appealing enough to spend even 30 minutes of my adult life on. "Melrose Place"? Dramas about emergency rooms? Not for me, thank you.

Then, one fabled day and long after the rest of the world, I discovered "The Simpsons." In years past I might have given temporary television allegiance to the original "Star Trek," to "Dr. Who" (Tom Baker only), and, long ago, to "The Avengers" and "The Prisoner," but "The Simpsons" has proven better than any of them. And it's only a cartoon — or, more accurately, an animated version of the Human Comedy (complete with recurring characters), a wickedly funny yet oddly affectionate satire of American life at the end of the 20th century. Imagine the unholy offspring of Mad magazine,

Mel Brooks movies, and "Our Town." Like Trekkies or sports fans, addicts of "The Simpsons" know that the show's genius derives from its details. We look hard to see what Bart is scribbling on the blackboard at the opening of each program; we wait for power-mad Mr. Burns to place his fingertips together and murmur "Excellent"; we check to confirm that the guest voice was Meryl Streep or Patrick Stewart or Mandy Patinkin. And though Homer, Marge, Bart, Lisa and Maggie obviously remain the heart of the series, most connoisseurs particularly relish certain minor characters. For instance, to use his trademark phrase, many of you may remember Troy McClure from such films as "Leper in the Backfield" and "Locker Room Towel Fight: The Blinding of Larry Driscoll." I, for one, yearn for a show that would spotlight the genial charlatan Dr. Nick Riviera, graduate of the Hollywood Upstairs Medical College (allegedly now: "Hello, Dr. Nick"): I savor every all-too-brief encounter with the slobbish owner of the Android's Dungeon comic book and gaming shop.

Because so much happens in each Simpsons episode (multiple story lines, a barrage of sight gags, nonstop repartee), it's easy to miss some of the humor — one

reason why the shows bear repeated viewing. Happily, "The Simpsons: A Complete Guide to Our Favorite Family" has been organized with the addict in mind. This bible includes a synopsis of every episode, original air dates, artistic credits (there are more writers than I realized for a show so consistent in tone), brief biographies of every major and minor character (from holier-than-thou neighbor Ned Flanders to Lunchlady Doris), quips and bits of dialogue, stills from each show, and pointers to the "stuff" you may have missed. There's a punctiliously exhaustive list of every circumstance in which Homer says "D'oh!"; a complete Lucy and Scruffy filmography; and double-page spreads devoted to the Treehouse of Horror Halloween specials.

Most valuable of all, I think, are the extensive quotations from each episode. Bart: "Dad, you shot the Zombie Flanders"; Homer: "He was a zombie?" Or this: "Captain's Log Stardate 6051: had trouble sleeping last night... my mental henna is acting up. The ship is drafty and damp; I complain but nobody listens" (an aged Captain Kirk, in "Star Trek XII: So Very Tired"). Moe answers the phone at his tavern: "I'll check. Amanda Huggenkiss. Hey, I'm looking for Amanda Huggenkiss. Why can't I find Amanda

Huggenkiss?" A sign at Springfield's Worst Western Hotel: "Ask about our sheet rental."

To appreciate fully "The Simpsons: A Complete Guide" you should be familiar enough with the show to hear the distinctive voice of each character, from the gravelly cigarette-raw snickers of Marge's sisters, Selma and Fanny, to the Tentonic mumble of action-hero Raper Wolfcastle (star of "Radioactive Man") to the laid-back legato of mobster Fat Tony and the annoyed rasp of teacher Edna Krabappel (she of the grading pen "Old Red"). The guide discloses that Harry Shearer does the voices of Smithers, Ned Flanders, Principal Skinner, Kent Brockman, Otto, Mr. Burns, Dr. Hibbert, Reverend Lovejoy, media psychiatrist Dr. Marvin Monroe (another personal favorite), Scratchy and the alien Kang, among many others. Dan Castellana and Hank Azaria include a similar number of characters in their spoken repertoires. Altogether astonishing.

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THE AMERICAS

Raytheon Co. to Cut 8,700 Defense Jobs

Bloomberg News
LEXINGTON, Massachusetts — Raytheon Co. said Friday that it would cut 10 percent of its defense jobs and shut 20 facilities as it tries to bring more profit from recently acquired defense companies by cutting costs.

Raytheon, now the world's third-largest aerospace and defense company, said it would dismiss 8,700 workers in its military division. Raytheon expanded the division last year by purchasing the Hughes defense business of General Motors Corp. for \$9.5 billion in December, and the defense business of Texas Instruments Inc. for \$2.95 billion in July.

The moves are a consequence of the end of the Cold War, which prompted the government to urge defense companies to consolidate resources as weapons spending plunged. The Raytheon chairman, Dennis Picard, is also being pushed by investors to cut costs fast so the maker of Patriot missiles can squeeze more profit from defense contracts, boost its stock and strengthen its share of the market, analysts said.

"This is the tail end of the consolidation," Roger Threlfall, a J.P. Morgan analyst, said. "The most critical thing here is to do it quickly. If they delay, then you have other companies that could move in on their competitive position."

Raytheon will also cut 9 percent of the work force in its engineering unit, or 1,000 jobs, amid the recent slowdown worldwide for engineering and construction services.

Raytheon's Class B shares fell 87.5 cents to close at \$50. The company also makes Beech aircraft and provides engineering and construction services, which bring Raytheon's total employment to almost 120,000 workers.

The leaders in the military equipment industry are Boeing Co., the world's biggest aerospace company, and Lockheed Martin Corp., which will reinforce its No. 2 position once it completes its \$1.9 acquisition of Northrop Grumman Corp. this year.

The dozens of defense mergers that occurred since the Cold War's end in 1991 reflect an industry overcapacity that is still being worked off, Mr. Threlfall said. This also explains why Raytheon is consolidating production of such missiles as the Antrium, or the advanced medium-range air-to-air missile, which was also made by Hughes. All Antriums will now be built in Tucson, Arizona, as Raytheon shifts production of the device from Massachusetts.

"Capacity is much greater than demand," Mr. Threlfall said.

Silicon Graphics Finds CEO

The Associated Press
SAN JOSE, California — Silicon Graphics Inc. named the head of Hewlett-Packard Co.'s computer business as its chairman and chief executive Friday in the latest bid to revive the maker of powerful desktop computers.

The new executive, Richard Belluzzo, succeeds Ed McCracken, who said last autumn he would step down when the company chose a new chief executive. Mr. McCracken, 53, will serve as a consultant to the company through June. The choice of Mr. Belluzzo, 44, was a pleasant surprise to industry analysts, who praised his no-nonsense management abilities and success as Hewlett-Packard's No. 2 executive.

"It is an absolute coup," said

Laura Conigliaro, an analyst at Goldman Sachs & Co. "He's a down-to-earth, hands-on management type person — and how many times have we heard over the last seven or eight quarters that Silicon Graphics' problem is inability to execute right?"

Investors also seemed to like the choice. On the New York Stock Exchange, Silicon Graphics' shares closed up \$2.50 at \$13.75.

Silicon Graphics is best known for its workstations that are used to create movie special effects. It also makes servers, or computers that control networks of desktop machines.

But the company has been hurt by competition from Hewlett-Packard and Sun Microsystems and by the increasing popularity of less costly computers.

Clinton's Woes Take Toll on Dollar

Bloomberg News

NEW YORK — The dollar dropped Friday amid worries that the scandal surrounding President Bill Clinton would draw his attention away from more important economic and political issues.

"The Clinton situation is making people lose faith in the government," Markus Rutishauser, a trader at Campbell & Co., said. He was referring to allegations, denied by the president, that Mr. Clinton had had an affair with a White House intern and sought to conceal the matter from investigators.

The dollar fell to 1.7783 Deutsche marks in 4 P.M. trading from 1.8040 DM on Thursday, to 5.9535 Swiss francs from 6.0450 francs and to 1.4393 Swiss francs from 1.4698 francs. It also fell to 125.650 yen from 127.235 yen. The pound rose to \$1.6725 from \$1.6485.

"It's not that the U.S. is prone to huge political upheaval," said Fernando Medina, senior currency trader at Banco Atlantico, "but this makes Clinton's political future uncertain and introduces a sense of

disappointment in the worldwide community."

The yen got an added lift from comments by a senior member of Japan's Liberal Democratic Party, who said the government would unveil plans to boost the economy before March 31.

"There's been enough headline information being thrown at people

FOREIGN EXCHANGE

about Japanese government investment proposals to stimulate the stock market and the economy that it's finally starting to take hold," said Rick Porter, manager of foreign exchange sales at Kreditbank in New York.

The dollar also was dragged down after Eisuke Sakakibara, deputy finance minister for international affairs, said the Bank of Japan was considering selling dollars, according to Jiji Press.

Last month, the central bank sold dollars for the first time in five years in an effort to bolster the yen. Mr. Clinton's woes overshadowed

reports showing West German inflation at its lowest annual rate since June 1996, bolstering expectations that interest rates in Europe's largest economy would remain steady. The Bundesbank last raised Germany's benchmark securities repurchase rate Oct. 9, to 3.30 percent.

Canadian Dollar Tumbles

The Canadian dollar slid to a record low against the U.S. dollar, prompting the Bank of Canada to spend foreign-exchange reserves to try to slow the currency's decline, Reuters reported from Toronto.

The Canadian currency fell to 68.63 U.S. cents, a level unseen since the establishment of the Canadian dollar in 1858, before central bank intervention pushed the currency up to 68.86 cents in 4 P.M. trading.

The Canadian dollar closed Thursday at 68.84 U.S. cents.

Economists said data Friday showing a lack of inflationary pressures in the economy heightened market speculation that the Bank of Canada would not lift interest rates.

White House Scandal Hits Stocks

Compiled by Our Staff From Dispatches

NEW YORK — Stocks fell Friday amid lingering concerns that Asia's economic crisis would hurt U.S. companies and jitters over the fallout from allegations that President Bill Clinton had an affair with a White House intern and asked her to lie about it.

The Dow Jones industrial average closed down 29.89 points at 7,700.99, while the Standard & Poor's 500 index fell 5.45 to 957.59. Losing issues outnumbered gaining ones by a 9-to-5 ratio on the New York Stock Exchange.

"Everything seems to be going wrong," said Michael Metz, chief investment strategist at CIBC Oppenheimer & Co. "You have the earnings question, and you have talk of a debt moratorium in Indonesia. Thirdly, you have concern with what's going on in the White House, and now we have a new concern, the weakness in the dollar."

The dollar's weakness also weighed down the Treasury bond market, where the price of the benchmark 30-year issue fell 1 1/2 points, to 102 10/32, sending the yield up to 5.95 percent from 5.85 percent Thursday.

"Weakness in the dollar is a clue for foreign investors to sell our market and bring money home," said Neil Toth, a bond manager for the

Ohio Public Employees Retirement System.

U.S. assets have lost favor because investors are speculating that the controversy surrounding Mr. Clinton could shift his attention away from efforts to resolve the economic problems in Asia.

"It's a confidence-shaker," said Peter Hegel, a bond manager at Van

U.S. STOCKS

Kampen Capital Management. "Obviously the timing is horrible, in terms of the crisis in Asia. I think it'll weaken his administration's ability to deal with those problems."

Omega was the most active stock, closing down 1/4 at 9/16 after reporting earnings that were below analysts' expectations. The maker of portable disk drives blamed slowing demand in Asia for the weak results.

Other technology stocks fell, including Digital Lightwave, which fell 6 1/4 to 4 13/16 after the maker of products for transmitting information over fiber-optic networks said it expected to post a loss for the fourth quarter.

In the past week, companies from J.P. Morgan to IBM have warned investors that slumping Asian economies will slow profit growth in the first quarter. Merrill Lynch & Co. said the events in Asia would make

1998 "a more challenging environment for our industry."

Banking stocks fell Friday, with Citicorp falling 1 1/16 to 113 1/4, BankAmerica falling 1 9/16 to 64 1/4 and Chase Manhattan losing 1 to 103 1/4.

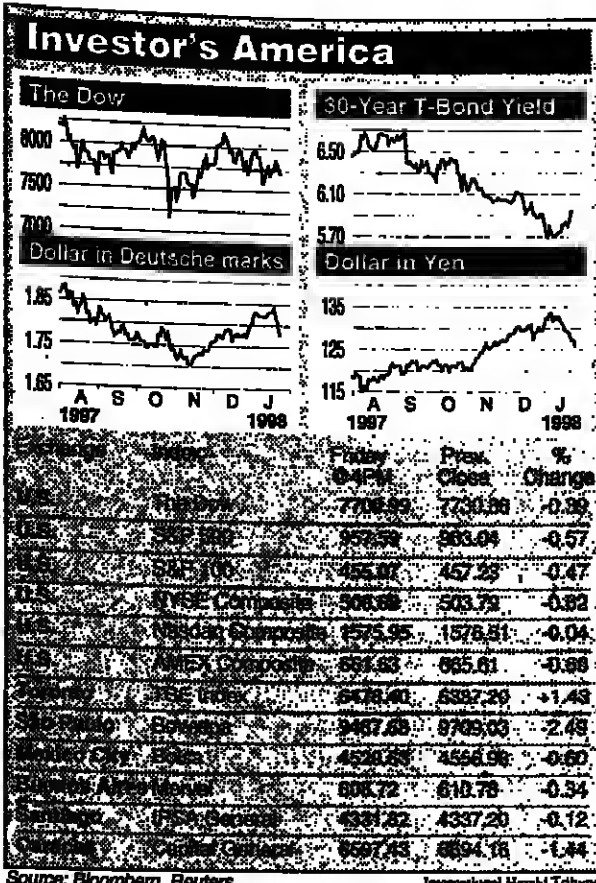
Scientific Atlanta fell 1 1/16 to 14 1/4 after the maker of broadband-communications equipment said orders booked in the quarter to Dec. 26 fell 9 percent from a year earlier.

Among the gaining issues, Gateway 2000 rose 3 to 37 after the personal-computer maker posted strong fourth-quarter results. Dell Computer rose 2 1/4 to 94 1/4, and Compaq Computer rose 1 1/16 to 31 13/16.

Amgen rose 1 1/16 to 48 7/16 after the biotechnology company also posted strong fourth-quarter earnings. Gordon Binder, the chairman and chief executive of the company, said he was comfortable with analysts' estimates for an increase in net profit for 1998.

Walt Disney rose 2 1/4 to 98 1/4 after the entertainment company was raised to "outperform" from "neutral" by an analyst at Morgan Stanley, Dean Witter, Discover & Co. The analyst set a 12-month target price of 112 and said the company's program to cut costs and raise revenue at its theme parks would increase margins.

(Reuters, Bloomberg, AP)



...es Take Toll on Dollars

EUROPE

Bank Sees Euro Start At \$1.0753

Reuters
LONDON — Deutsche Morgan Grenfell has begun forecasting the exchange rates at which the planned single European currency, the euro, will trade against other major currencies, an analyst at the bank said Friday.
In its latest monthly publication, the company's analysts forecast that the euro will start life at \$1.0753, at 140 yen and at 73.53 British pence if European economic and monetary union begins on schedule Jan. 1, 1999.
"We have a responsibility to ensure our publications are up to date, given that we are the biggest European bank in the EMU area," said Jens Dallmeier, economist at Deutsche Morgan Grenfell in Frankfurt. "We regularly publish 12-month forecasts for currencies and interest rates, and this is the first time it reaches into monetary union."

The analysts assume that all European Union countries except Britain, Sweden, Greece and Denmark will launch monetary union at its scheduled outset.
They also assume that conversion rates between national currencies and the euro will correspond to the theoretical market value of the European Currency Unit, or Ecu, in national currencies at the end of 1998. This is because the rules adopted at the Madrid summit in 1995 require the Ecu to be replaced by the euro at a one-to-one rate and for the external value of the unit to be unaltered by the transition to currency union.

The bank said its euro forecasts were based on the expectation the pound will fall to trade at 2.65 Deutsche marks and \$1.47 by the end of the year. It currently trades at about 2.97 DM and \$1.65.

EMI's Stock Falls as It Warns of Trouble in Asia

Compiled by Our Staff From Agencies
LONDON — Stock in EMI Group PLC plunged Friday after the British music company said the economic troubles in Asia would hurt profits.
"Trading in the Asia-Pacific markets, including Japan, was not good," said the company's chairman, Sir Colin Smeeth, referring to sales over the Christmas season.
"Consumer confidence in these markets has suffered a severe setback, and this is being reflected in music sales," said Smeeth, adding that a fifth of EMI's global sales, with a substantial portion of that in Japan, EMI, whose artists include the Spice Girls, Janet Jackson and Garth Brooks, said operating profit would be \$225 million (\$41.2 million) lower than expected, prompting its shares to drop 51 pence, to close at 429.
The company did not disclose its previous forecast of operating profit for the current year.
Analysts said they were cutting profit forecasts for EMI by an average 10 percent. Expectations for pretax profit now range from \$300 million to \$315 million, based on a survey of five analysts. EMI had pretax profit of \$380 million in the year ended March 31, 1997, on sales of \$2.4 billion.
"The problem lies in Japan," said Jasco Crisp, an analyst at Societe Generale, "where the market is weak, they have failed to get their cost base under control, and their position is weakening because they've got a poor line-up of acts."
EMI's warning helped drag down shares of other record companies, including PolyGram NV, which closed in Amsterdam at 92.40 guilders (\$45.60), down 4.10.
EMI plans to consolidate record labels and reduce staff in the Asia-Pacific region, Finance Director Si-

mon Duffy said. He said the Japanese market "appears to be down by about 8 or 9 percent, and we would like to reduce the cost of operations in Japan."
The global market for recorded music has suffered sluggish sales in the last two years after it nearly tripled, to \$40 billion between 1986 and 1995. The maturing of the compact disc market has contributed to the slowdown, analysts said.
"The situation is actually a lot worse than anyone realizes," said Michael Woodcock, an analyst at Nikko Woodcock, an analyst at Nikko Woodcock, an analyst at Nikko Woodcock. "As far as the share price is concerned, it's probably too late to sell but too soon to buy," he said, adding that EMI shares look cheap relative to competitors such as PolyGram.
EMI said it would make additional provisions to cover advance payments to artists, due to

Investor's Europe					
Frankfurt DAX		London FTSE 100 Index		Paris CAC 40	
4500		5400		3100	
4000		5300		3000	
4100		5150		2900	
3500		5000		2800	
3700		4850		2700	
3500		4700		2600	
A S O N O J		A S O N O J		A S O N O J	
1997	1998	1997	1998	1997	1998
Exchange	Index	Friday Close	Prev. Close	% Change	
Amsterdam	AEX	933.20	939.01	-0.62	
Brussels	BEL-20	2,512.65	2,525.65	-0.51	
Frankfurt	DAX	4,297.31	4,220.26	+0.40	
Copenhagen	Stock Market	898.12	899.49	-0.09	
Helsinki	HEX General	3,422.49	3,441.09	-0.54	
Oslo	OBX	648.31	646.43	+0.29	
London	FTSE 100	5,181.40	5,253.10	-1.36	
Madrid	Stock Exchange	678.95	685.24	-0.93	
Milan	MIBTEL	181.89	183.81	-1.04	
Paris	CAC 40	2,968.15	2,988.37	-0.74	
Stockholm	SX 16	2,236.20	2,241.81	-0.17	
Vietnam	ATX	1,298.81	1,296.23	+0.21	
Zurich	SPI	3,968.60	3,946.96	+0.55	

Sources: Reuters, International Herald Tribune

Porsche's Net Fails to Meet Expectations

Bloomberg News
STUTTGART — Porsche AG projected Friday that its profit in the first six months of its financial year would rise a less-than-expected 69 percent as production of its 911 sports car slowed for the introduction of an updated model and its less expensive Boxster dominated sales.
According to preliminary figures, net profit rose to 65 million Deutsche marks (\$36 million) in the six months ending next Saturday from 38.4 million DM a year earlier, the luxury sports-car maker said.
Six analysts surveyed by Bloomberg News had expected a rise to about 80 million DM.
Along with other German car-makers such as Daimler-Benz AG and Bayerische Motoren Werke AG, Porsche is benefiting from a seemingly unquenchable demand for luxury sport cars at home and abroad. Demand for Porsche's two models, the Boxster and the redesigned 911, are so great that some customers must wait a year.
"The problem with the first half is that the average price for their cars was



The Boxster, the Porsche model with a price tag of 75,000 DM (\$41,600) that dominated first-half sales.

dominated by the Boxster, which is much cheaper than the 911," said Juergen Heinz, an analyst at Westdeutsche Landesbank in Dusseldorf. "This effect will be canceled out in the second half as 911 sales pick up."
The Boxster has a price tag of about 75,000 DM, compared with about 135,000 DM for the 911. In the first half, Porsche sold 6,800 of its 911s and 8,100 Boxsters.
Porsche shares fell 17.50 DM to close at 3,197.50.
Separately, Wendelin Wiedeking, the chief executive, gave his strongest indication yet that Porsche would go ahead with plans to produce an off-road vehicle, saying it "would fit excellently into our brand."

Fiat Successor Wins Blessing

Agence France-Presse
ROME — The man selected to take Fiat SpA into the next century, Paolo Fresco, received the blessing Friday of Giovanni Agnelli, patriarch of the main shareholders, the Agnelli family.
Mr. Fresco is "the best," Mr. Agnelli told Il Sole 24 Ore newspaper.
But Mr. Fresco, deputy chairman of the Electrico Co. in the United States, said he would be unable to replace Cesare Romiti until November. "Before then I cannot. I have specific commitments to General Electric," he told the newspaper MF.
Mr. Romiti is to resign in June, and sources said that the vice president of Fiat, Gian Luigi Gabetti, might take control in the interim.
Mr. Agnelli thanked Mr. Romiti "for all of the important and very difficult things accomplished for Fiat during a period of 25 years."
Asked if he would change the company's management team, Mr. Fresco said that he would come to Fiat alone and that he "would like to work with the existing team." Mr. Fresco became a director of Fiat in June 1996 on a recommendation from the Agnelli family, the biggest shareholder.

Very briefly:

- Club Mediterranee SA shares fell 4.9 percent, closing at 456.70 francs (\$75.55), down 23.30, after a report in Le Point magazine said the French resort operator would post a record loss of 1.3 billion francs for 1997. The company declined to comment.
- France is expected to give its go-ahead next week to the takeover of Assurances Generales de France SA, France's second-largest insurer, by Allianz AG of Germany, industry sources said.
- The European Commission is deepening its investigation into the proposed digital pay-TV alliance between the German media giants Bertelsmann AG and Kirch Group because of fears it would give their jointly owned company Premiere a lasting monopoly.
- Ecuador broke ranks with the United States, saying it was prepared to accept the European Commission's plans to revise the European Union's banana import system after a World Trade Organization ruling that the current system violated global trading regulations.
- The International Air Transport Association said major airlines had agreed to use the European single currency, the euro, in sales and ticketing operations starting Jan. 1, 1999, when the currency is due to be launched.
- Ferrari SpA said a record 1 million lire (\$588 million) of its luxury sports cars in 1997, an increase of more than 14 percent in value from 1996, its chief executive, Luca Cordero di Montezemolo, said. In volume terms, Ferrari sold 3,581 cars last year, an 8.1 percent gain from the previous year.
- Electrolux AB of Sweden agreed to sell its agricultural equipment unit to Kongskilde Industries A/S of Denmark and sold its interior-design unit to Charterhouse SA of France as part of a plan to cut costs. Electrolux, Europe's largest appliance maker, did not disclose financial details of either transaction.

WORLD STOCK MARKETS

Friday, Jan. 23					High Low Close Prev.					High Low Close Prev.					High Low Close Prev.					High Low Close Prev.				
Prices in local currencies					High Low Close Prev.					High Low Close Prev.					High Low Close Prev.					High Low Close Prev.				
Amsterdam					Amsterdam					Amsterdam					Amsterdam					Amsterdam				
ARABIAN	29.30	29.30	29.30	29.30	ARABIAN	29.30	29.30	29.30	29.30	ARABIAN	29.30	29.30	29.30	29.30	ARABIAN	29.30	29.30	29.30	29.30	ARABIAN	29.30	29.30	29.30	29.30
ASIA	102.40	102.40	102.40	102.40	ASIA	102.40	102.40	102.40	102.40	ASIA	102.40	102.40	102.40	102.40	ASIA	102.40	102.40	102.40	102.40	ASIA	102.40	102.40	102.40	102.40
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ASIA	102.40	102.40	102.40	102.40	ASIA	102.40	102.40	102.40	102.40	ASIA	102.40	102.40	102.40	102.40	ASIA	102.40	102.40	102.40	102.40	ASIA	102.40	102.40	102.40	102.40
ASIA	102.40	102.40	102.40																					

Friday's 4 P.M. Close
The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere
The Associated Press.

[illegible][illegible]

Sym	Chge	12 Month		Stock	Div	Yld	PE	52 Week		Low	Last	Chge	
		High	Low					High	Low				
32	1/8	25 1/8	24 3/4	32	25 1/8	24 3/4	32	25 1/8	24 3/4	32	25 1/8	24 3/4	1/8
33	1/8	26 1/8	25 3/4	33	26 1/8	25 3/4	33	26 1/8	25 3/4	33	26 1/8	25 3/4	1/8
34	1/8	27 1/8	26 3/4	34	27 1/8	26 3/4	34	27 1/8	26 3/4	34	27 1/8	26 3/4	1/8
35	1/8	28 1/8	27 3/4	35	28 1/8	27 3/4	35	28 1/8	27 3/4	35	28 1/8	27 3/4	1/8
36	1/8	29 1/8	28 3/4	36	29 1/8	28 3/4	36	29 1/8	28 3/4	36	29 1/8	28 3/4	1/8
37	1/8	30 1/8	29 3/4	37	30 1/8	29 3/4	37	30 1/8	29 3/4	37	30 1/8	29 3/4	1/8
38	1/8	31 1/8	30 3/4	38	31 1/8	30 3/4	38	31 1/8	30 3/4	38	31 1/8	30 3/4	1/8
39	1/8	32 1/8	31 3/4	39	32 1/8	31 3/4	39	32 1/8	31 3/4	39	32 1/8	31 3/4	1/8
40	1/8	33 1/8	32 3/4	40	33 1/8	32 3/4	40	33 1/8	32 3/4	40	33 1/8	32 3/4	1/8
41	1/8	34 1/8	33 3/4	41	34 1/8	33 3/4	41	34 1/8	33 3/4	41	34 1/8	33 3/4	1/8
42	1/8	35 1/8	34 3/4	42	35 1/8	34 3/4	42	35 1/8	34 3/4	42	35 1/8	34 3/4	1/8
43	1/8	36 1/8	35 3/4	43	36 1/8	35 3/4	43	36 1/8	35 3/4	43	36 1/8	35 3/4	1/8
44	1/8	37 1/8	36 3/4	44	37 1/8	36 3/4	44	37 1/8	36 3/4	44	37 1/8	36 3/4	1/8
45	1/8	38 1/8	37 3/4	45	38 1/8	37 3/4	45	38 1/8	37 3/4	45	38 1/8	37 3/4	1/8
46	1/8	39 1/8	38 3/4	46	39 1/8	38 3/4	46	39 1/8	38 3/4	46	39 1/8	38 3/4	1/8
47	1/8	40 1/8	39 3/4	47	40 1/8	39 3/4	47	40 1/8	39 3/4	47	40 1/8	39 3/4	1/8
48	1/8	41 1/8	40 3/4	48	41 1/8	40 3/4	48	41 1/8	40 3/4	48	41 1/8	40 3/4	1/8
49	1/8	42 1/8	41 3/4	49	42 1/8	41 3/4	49	42 1/8	41 3/4	49	42 1/8	41 3/4	1/8
50	1/8	43 1/8	42 3/4	50	43 1/8	42 3/4	50	43 1/8	42 3/4	50	43 1/8	42 3/4	1/8
51	1/8	44 1/8	43 3/4	51	44 1/8	43 3/4	51	44 1/8	43 3/4	51	44 1/8	43 3/4	1/8
52	1/8	45 1/8	44 3/4	52	45 1/8	44 3/4	52	45 1/8	44 3/4	52	45 1/8	44 3/4	1/8
53	1/8	46 1/8	45 3/4	53	46 1/8	45 3/4	53	46 1/8	45 3/4	53	46 1/8	45 3/4	1/8
54	1/8	47 1/8	46 3/4	54	47 1/8	46 3/4	54	47 1/8	46 3/4	54	47 1/8	46 3/4	1/8
55	1/8	48 1/8	47 3/4	55	48 1/8	47 3/4	55	48 1/8	47 3/4	55	48 1/8	47 3/4	1/8
56	1/8	49 1/8	48 3/4	56	49 1/8	48 3/4	56	49 1/8	48 3/4	56	49 1/8	48 3/4	1/8
57	1/8	50 1/8	49 3/4	57	50 1/8	49 3/4	57	50 1/8	49 3/4	57	50 1/8	49 3/4	1/8
58	1/8	51 1/8	50 3/4	58	51 1/8	50 3/4	58	51 1/8	50 3/4	58	51 1/8	50 3/4	1/8
59	1/8	52 1/8	51 3/4	59	52 1/8	51 3/4	59	52 1/8	51 3/4	59	52 1/8	51 3/4	1/8
60	1/8	53 1/8	52 3/4	60	53 1/8	52 3/4	60	53 1/8	52 3/4	60	53 1/8	52 3/4	1/8
61	1/8	54 1/8	53 3/4	61	54 1/8	53 3/4	61	54 1/8	53 3/4	61	54 1/8	53 3/4	1/8
62	1/8	55 1/8	54 3/4	62	55 1/8	54 3/4	62	55 1/8	54 3/4	62	55 1/8	54 3/4	1/8
63	1/8	56 1/8	55 3/4	63	56 1/8	55 3/4	63	56 1/8	55 3/4	63	56 1/8	55 3/4	1/8
64	1/8	57 1/8	56 3/4	64	57 1/8	56 3/4	64	57 1/8	56 3/4	64	57 1/8	56 3/4	1/8
65	1/8	58 1/8	57 3/4	65	58 1/8	57 3/4	65	58 1/8	57 3/4	65	58 1/8	57 3/4	1/8
66	1/8	59 1/8	58 3/4	66	59 1/8	58 3/4	66	59 1/8	58 3/4	66	59 1/8	58 3/4	1/8
67	1/8	60 1/8	59 3/4	67	60 1/8	59 3/4	67	60 1/8	59 3/4	67	60 1/8	59 3/4	1/8
68	1/8	61 1/8	60 3/4	68	61 1/8	60 3/4	68	61 1/8	60 3/4	68	61 1/8	60 3/4	1/8
69	1/8	62 1/8	61 3/4	69	62 1/8	61 3/4	69	62 1/8	61 3/4	69	62 1/8	61 3/4	1/8
70	1/8	63 1/8	62 3/4	70	63 1/8	62 3/4	70	63 1/8	62 3/4	70	63 1/8	62 3/4	1/8
71	1/8	64 1/8	63 3/4	71	64 1/8	63 3/4	71	64 1/8	63 3/4	71	64 1/8	63 3/4	1/8
72	1/8	65 1/8	64 3/4	72	65 1/8	64 3/4	72	65 1/8	64 3/4	72	65 1/8	64 3/4	1/8
73	1/8	66 1/8	65 3/4	73	66 1/8	65 3/4	73	66 1/8	65 3/4	73	66 1/8	65 3/4	1/8
74	1/8	67 1/8	66 3/4	74	67 1/8	66 3/4	74	67 1/8	66 3/4	74	67 1/8	66 3/4	1/8
75	1/8	68 1/8	67 3/4	75	68 1/8	67 3/4	75	68 1/8	67 3/4	75	68 1/8	67 3/4	1/8
76	1/8	69 1/8	68 3/4	76	69 1/8	68 3/4	76	69 1/8	68 3/4	76	69 1/8	68 3/4	1/8
77	1/8	70 1/8	69 3/4	77	70 1/8	69 3/4	77	70 1/8	69 3/4	77	70 1/8	69 3/4	1/8
78	1/8	71 1/8	70 3/4	78	71 1/8	70 3/4	78	71 1/8	70 3/4	78	71 1/8	70 3/4	1/8
79	1/8	72 1/8	71 3/4	79	72 1/8	71 3/4	79	72 1/8	71 3/4	79	72 1/8	71 3/4	1/8
80	1/8	73 1/8	72 3/4	80	73 1/8	72 3/4	80	73 1/8	72 3/4	80	73 1/8	72 3/4	1/8
81	1/8	74 1/8	73 3/4	81	74 1/8	73 3/4	81	74 1/8	73 3/4	81	74 1/8	73 3/4	1/8
82	1/8	75 1/8	74 3/4	82	75 1/8	74 3/4	82	75 1/8	74 3/4	82	75 1/8	74 3/4	1/8
83	1/8	76 1/8	75 3/4	83	76 1/8	75 3/4	83	76 1/8	75 3/4	83	76 1/8	75 3/4	1/8
84	1/8	77 1/8	76 3/4	84	77 1/8	76 3/4	84	77 1/8	76 3/4	84	77 1/8	76 3/4	1/8
85	1/8	78 1/8	77 3/4	85	78 1/8	77 3/4	85	78 1/8	77 3/4	85	78 1/8	77 3/4	1/8
86	1/8	79 1/8	78 3/4	86	79 1/8	78 3/4	86	79 1/8	78 3/4	86	79 1/8	78 3/4	1/8
87	1/8	80 1/8	79 3/4	87	80 1/8	79 3/4	87	80 1/8	79 3/4	87	80 1/8	79 3/4	1/8
88	1/8	81 1/8	80 3/4	88	81 1/8	80 3/4	88	81 1/8	80 3/4	88	81 1/8	80 3/4	1/8
89	1/8	82 1/8	81 3/4	89	82 1/8	81 3/4	89	82 1/8	81 3/4	89	82 1/8	81 3/4	1/8
90	1/8	83 1/8	82 3/4	90	83 1/8	82 3/4	90	83 1/8	82 3/4	90	83 1/8	82 3/4	1/8
91	1/8	84 1/8	83 3/4	91	84 1/8	83 3/4	91	84 1/8	83 3/4	91	84 1/8	83 3/4	1/8
92	1/8	85 1/8	84 3/4	92	85 1/8	84 3/4	92	85 1/8	84 3/4	92	85 1/8	84 3/4	1/8
93	1/8	86 1/8	85 3/4	93	86 1/8	85 3/4	93	86 1/8	85 3/4	93	86 1/8	85 3/4	1/8
94	1/8	87 1/8	86 3/4	94	87 1/8	86 3/4	94	87 1/8	86 3/4	94	87 1/8	86 3/4	1/8
95	1/8	88 1/8	87 3/4	95	88 1/8	87 3/4	95	88 1/8	87 3/4	95	88 1/8	87 3/4	1/8
96	1/8	89 1/8	88 3/4	96	89 1/8	88 3/4	96	89 1/8	88 3/4	96	89 1/8	88 3/4	1/8
97	1/8	90 1/8	89 3/4	97	90 1/8	89 3/4	97	90 1/8	89 3/4	97	90 1/8	89 3/4	1/8
98	1/8	91 1/8	90 3/4	98	91 1/8	90 3/4	98	91 1/8	90 3/4	98	91 1/8	90 3/4	1/8
99	1/8	92 1/8	91 3/4	99	92 1/8	91 3/4	99	92 1/8	91 3/4	99	92 1/8	91 3/4	1/8
100	1/8	93 1/8	92 3/4	100	93 1/8	92 3/4	100	93 1/8	92 3/4	100	93 1/8	92 3/4	1/8

Egypt

REGULATION, PRIVATIZATION.

...than any time before. I work to
...and I work for my people and do
...in killing weapons or killing.

MOHAMMED HOSEINI MUBARAK
Minister of Egyptian Trade
in Gazetta, October 25th, 1997

R OF THE PAST.
ESTMENT FOR
FUTURE

...requisite, please contact:
...Ministry of Egyptian Affairs,
...Tel: 20-2-574-2834 Fax 20-2-574-7248.

Sym	Chge	12 Month		Stock	Div	Yld	PE	52 Week		Low	Last	Chge	
		High	Low					High	Low				
32	1/8	25 1/8	24 3/4	32	25 1/8	24 3/4	32	25 1/8	24 3/4	32	25 1/8	24 3/4	1/8
33	1/8	26 1/8	25 3/4	33	26 1/8	25 3/4	33	26 1/8	25 3/4	33	26 1/8	25 3/4	1/8
34	1/8	27 1/8	26 3/4	34	27 1/8	26 3/4	34	27 1/8	26 3/4	34	27 1/8	26 3/4	1/8
35	1/8	28 1/8	27 3/4	35	28 1/8	27 3/4	35	28 1/8	27 3/4	35	28 1/8	27 3/4	1/8
36	1/8	29 1/8	28 3/4	36	29 1/8	28 3/4	36	29 1/8	28 3/4	36	29 1/8	28 3/4	1/8
37	1/8	30 1/8	29 3/4	37	30 1/8	29 3/4	37	30 1/8	29 3/4	37	30 1/8	29 3/4	1/8
38	1/8	31 1/8	30 3/4	38	31 1/8	30 3/4	38	31 1/8	30 3/4	38	31 1/8	30 3/4	1/8
39	1/8	32 1/8	31 3/4	39	32 1/8	31 3/4	39	32 1/8	31 3/4	39	32 1/8	31 3/4	1/8
40	1/8	33 1/8	32 3/4	40	33 1/8	32 3/4	40	33 1/8	32 3/4	40	33 1/8	32 3/4	1/8
41	1/8	34 1/8	33 3/4	41	34 1/8	33 3/4	41	34 1/8	33 3/4	41	34 1/8	33 3/4	1/8
42	1/8	35 1/8	34 3/4	42	35 1/8	34 3/4	42	35 1/8	34 3/4	42	35 1/8	34 3/4	1/8
43	1/8	36 1/8	35 3/4	43	36 1/8	35 3/4	43	36 1/8	35 3/4	43	36 1/8	35 3/4	1/8
44	1/8	37 1/8	36 3/4	44	37 1/8	36 3/4	44	37 1/8	36 3/4	44	37 1/8	36 3/4	1/8
45	1/8	38 1/8	37 3/4	45	38 1/8	37 3/4	45	38 1/8	37 3/4	45	38 1/8	37 3/4	1/8
46	1/8	39 1/8	38 3/4	46	39 1/8	38 3/4	46	39 1/8	38 3/4	46	39 1/8	38 3/4	1/8
47	1/8	40 1/8	39 3/4	47	40 1/8	39 3/4	47	40 1/8	39 3/4	47	40 1/8	39 3/4	1/8
48	1/8	41 1/8	40 3/4	48	41 1/8	40 3/4	48	41 1/8	40 3/4	48	41 1/8	40 3/4	1/8
49	1/8	42 1/8	41 3/4	49	42 1/8	41 3/4	49	42 1/8	41 3/4	49	42 1/8	41 3/4	1/8
50	1/8	43 1/8	42 3/4	50	43 1/8	42 3/4	50	43 1/8	42 3/4				

[illegible][illegible]

LIBERALIZATION, DEREGULATION, PRIVATIZATION

- PRESIDENT MUHAMMAD HUSAYN MUBARAK
interview with the Chicago Tribune,
quoted in the Egyptian Gazette, October 25th, 1949.

For further enquiries, please contact:
Press and Information Department, Ministry of Foreign Affairs,
Corniche El-Nil Street, Nasser, Cairo. Tel: 20-2-574-7834 Fax 20-2-574-7248.

[illegible][illegible]

Chase	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000
100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000	

1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	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NASDAQ

Friday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

Stock	Dr	Yd	PE	100 High	Low	Open
IBM	160 1/4	160 1/4	160 1/4	160 1/4	160 1/4	160 1/4
GE	28 1/4	28 1/4	28 1/4	28 1/4	28 1/4	28 1/4
AT&T	36 1/4	36 1/4	36 1/4	36 1/4	36 1/4	36 1/4
AMT	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
GO	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
...

Stock	Dr	Yd	PE	100 High	Low	Open
...

Stock	Dr	Yd	PE	100 High	Low	Open
...

Stock	Dr	Yd	PE	100 High	Low	Open
...

Stock	Dr	Yd	PE	100 High	Low	Open
...

Stock	Dr	Yd	PE	100 High	Low	Open
...

NYSE
Friday's 4 P.M. Close
(Continued)

Stock	Dr	Yd	PE	100 High	Low	Open
...

Stock	Dr	Yd	PE	100 High	Low	Open
...

Stock	Dr	Yd	PE	100 High	Low	Open
...

Stock	Dr	Yd	PE	100 High	Low	Open
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Stock	Dr	Yd	PE	100 High	Low	Open
...

Stock	Dr	Yd	PE	100 High	Low	Open
...

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in Indonesia

MONEY

MONDAY
SPORTS

If Philosophers Managed Portfolios, What Would They Be Worth?

By Conrad de Aenlle

General Electric Makes the Grade With 3 Out of 6 Great Thinkers

INVESTORS IN search of stock-picking wisdom often turn to modern sources, people with names like Lynch, Templeton, Buffet. But what would they learn if they could consult some of history's great theorists?

The Money Report asked Don Sull, a professor of strategic and international management at London Business School, to pick half a dozen philosophers whose beliefs, ethics and teachings could be encapsulated in modern investment profiles. The only provision was that the philosophers should be as diverse in geography, historical period and school of thought as possible. Mr. Sull and a pair of investment advisers then created stock portfolios to fit each philosopher.

Mr. Sull's six are: Sun Tzu, the Chinese military strategist who lived in the early 4th century B.C. but whose ideas about conflict are still studied today by armies and corporations; Marcus Aurelius, the 2nd-century Roman emperor and a leading Stoic philosopher; Niccolo Machiavelli, the Italian political theorist of the Renaissance whose legacy is the adjective derived from his name that is used to describe pragmatic, amoral leaders; Benjamin Franklin, 18th-century inventor, publisher, diplomat and American revolutionary; Friedrich Nietzsche, whose philosophy of the *Uebermensch*, or Superman, in the 19th century, a paean to individual self-actualization through hard work, was misunderstood and associated with Hitler, and Mao Zedong, a founder of the Chinese Communist Party and leader of China from the Communist state's founding in 1949 until his death in 1976.

In picking stocks, the analysts were asked to concentrate on the philosophers' beliefs and not on their personal financial circumstances, aspects normally taken into consideration when planning a client's investments. No doubt Marcus Aurelius and Franklin would have had greater resources at their disposal than Mao, and it was not immediately known what marginal tax bracket Sun Tzu was in and whether he had a mortgage with which to contend.

AS SUN TZU'S "The Art of War" makes clear, he was not a proponent of confrontation. "To overcome others' armies without fighting is the best of skills," he advised. As an investor, Mr. Sull said, Sun would probably prefer companies that have leadership positions. "He believed in preempting your competition, so he would like monopolists—but then who would?" he said.

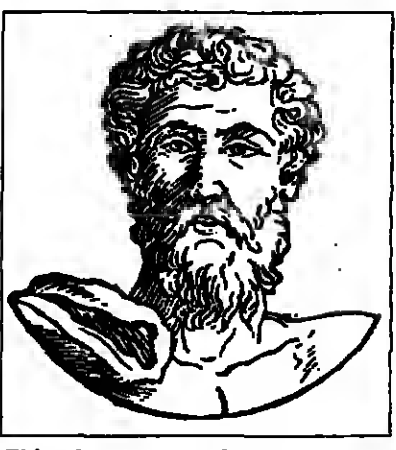
A reading of "The Art of War" suggests that Sun would favor companies that expand into new territory and new lines of business only when they can exploit weak competitors with minimal expenditure and little chance of failure. "Good warriors take their stand on ground where they cannot lose and do not overlook conditions that make an opponent prone to defeat," he wrote.

In trying to fit Sun's philosophy into investing, said Roger Noddings, head of international asset allocation at James Capel Investment Management, a unit of HSBC Holdings, "the principle to look for seems to be unassuming exploitation of a strong business position."

"Microsoft would be a good example, but for recent friction with the Justice Department," he added. Microsoft Corp., the leading maker of operating software for personal com-



The most difficult things in the world must be done while they are still easy. Sun Tzu might have picked: Nokia



Either instruct or endure. Marcus Aurelius might have picked: Nestle



A prince does well to surround himself with serious advisers. Niccolo Machiavelli might have picked: Microsoft



One man of reasonable obduracy may work great change. Benjamin Franklin might have picked: General Electric

puters, has so vanquished its opposition that the U.S. government is intensifying a multiyear antitrust action against it. On Thursday, Microsoft reached a partial agreement with the government. The company said that personal-computer makers could delete Microsoft's Internet browsing software from the basic package that comes with new machines.

Another example of a company Sun might have owned, Mr. Noddings said, is Honda Motor Corp., "which shares the motorcycle market with a handful of competitors."

Sun put great store in strong leadership that fosters cooperation and an adherence to a well-defined strategy. "Good warriors seek effectiveness in battle from the force of momentum, not from individual people," he wrote.

He also advocated long-term planning when he said that "the most difficult things in the world must be done while they are still easy."

Nokia Oy might have been following his advice when it began streamlining its business early in the 1990s in order to concentrate on what it thought would be a key growth industry of the future.

Sun Tzu appreciated the importance of communication, said Daniel Broby, head of international research at the London brokerage Quilter & Co. "I think he would have been attracted to the wireless-communication market and been impressed by the strategy of Nokia in Finland."

"Once a diverse conglomerate, Nokia refocused itself on one product," he added. "Its technological excellence in the portable-telephone business has resulted in market leadership at the expense of competitors less willing to innovate."

MOST ROMAN EMPERORS were educated by Stoic philosophers, and Marcus Aurelius took their teachings to heart more than most. His "Meditations" is an essential Stoic text.

The Stoics, originally Greeks of the 4th century B.C., were advocates of instruction, Mr. Sull said. Their motto was "either instruct or endure." Therefore, Mr. Sull suggested that Marcus Aurelius might like plays in the education and training fields.

In terms of management, he said, the emperor would prefer companies with clear, concrete goals that are serious about strategic planning. Also, because of his love of simplicity, he would shun conglomerates and companies whose organization is hard to fathom. If he



Eternal recurrence. Friedrich Nietzsche might have picked: Gillette; General Electric



Let a thousand flowers bloom. Mao Zedong might have picked: Netscape; General Electric

were inclined toward short-selling, a good candidate might be Rupert Murdoch's News Corp., renowned for its Byzantine organizational structure.

For Mr. Noddings, "Stoicism brings to mind the Swiss multinationals—dull, worthy, enduring and successful." Some examples, he said, were Nestle SA, the food-based conglomerate, and the pharmaceuticals concern Roche Holding AG.

Several of those adjectives, especially the last, aptly describe Warren Buffett, chairman of Berkshire Hathaway Inc. Mr. Broby suggested that the Roman emperor and the modern-day sage of Omaha would be of like minds when picking stocks.

"Warren Buffett epitomizes the Stoic values in his approach to investment," Mr. Broby said. "I am sure that if Marcus Aurelius were alive today, he would share his wisdom. I suspect he would prefer Coca-Cola to sweet Roman wine in both his portfolio and personal life."

Marcus might find one aspect of Coca-Cola Co. not to his taste, however. Mr. Sull noted that Stoics found praise to be harmful, so he might prefer stocks that are so popular that their shares are priced at 40 times annual earnings.

NICCOLO MACHIAVELLI believed that life is lonely at the top, counseling would-be leaders that "for the prince, there is no final court of appeal." He was a pragmatist, saying that it was better to be loved than feared, but that

above all one should avoid being hated. Mr. Sull therefore reckons that Machiavelli would favor companies with strong, decisive leaders and that are more focused on results than on how they are achieved.

"He strikes me as someone who would not have a rigid view on how money was made, so long as success was achieved," Mr. Noddings said.

"Perhaps he should buy Berkshire Hathaway," the holding company for Mr. Buffett's diverse investments.

Mr. Broby came up with a choice that reflects Machiavelli's strengths as a pragmatic thinker and shrewd observer of politics and human nature: Corrections Corp. of America, the publicly listed prison operator.

In his principal work, "The Prince," Machiavelli also argued that "a prince does well to surround himself with serious advisers." Mr. Sull said, and so his chosen investments would be companies "hiring from a gene pool other than its own" to bring in fresh ideas.

An example he gave is Microsoft Corp., where Bill Gates "surrounds himself with people with different opinions."

Another bit of advice from Machiavelli is that if there is a conflict between two neighbors, pick one above the other. He would likely take big bets, Mr. Sull said, favoring companies making one form of technology, say, over those making a rival form. So he might

like Oracle Corp. or Microsoft, but not both of the software leaders.

BEING A PRODUCT of the Enlightenment, Benjamin Franklin, who compiled a list of seven sins he felt he must overcome to achieve moral perfection, might be an advocate of ethical investing. His basically conservative and prudent nature might also compel him to seek out companies with strong balance sheets, Mr. Sull said, recalling Franklin's belief that "it is hard for an empty sack to stand upright."

Franklin was the one who first observed that "time is money," and so he might also favor companies implementing programs to boost productivity.

Another of his famous sayings is, "In this world nothing can be said to be certain except death and taxes." He might therefore be keen to shelter his portfolio in tax-advantaged vehicles and prefer companies that are able to keep their tax obligations to a minimum.

Focusing on that other sure thing, Mr. Broby said: "Picking a stock for Benjamin Franklin is easy. I am sure that he would appreciate the actuarial certainty of the earnings of Service Corp., the world's largest funeral provider."

As for management, Mr. Sull said, Franklin believed that "one man of reasonable ability may work great change." He would possibly choose stocks of companies with a conspicuous leader, like Jack Welch at General Electric Co., over companies run by consensus through a management board, he added.

Mr. Noddings tried to come up with the perfect company that would dovetail with all of Franklin's beliefs and interests: "Screening my favorite Greek stocks with productivity, strong balance sheet and leadership, my top pick would be the Thermo Electron-Thermo Instruments group," he said. Both companies, listed in the United States, make high-technology testing equipment, such as a device that measures pollution from power stations and another used to detect explosives at airports.

IT IS EASY to see why General Electric—the American one—is the world's largest company: It seems to be on each philosopher's buy list.

Mr. Sull said that Nietzsche, being a strong believer in the value of individual excellence, might prefer to own companies that focus on staff development. GE's program of molding "managers of the future" epitomizes this.

Nietzsche also believed in "eternal recurrence," the notion that the same patterns of events happen continually, so he might like companies that rely heavily on repeat sales, such as makers of consumer staples, Mr. Sull said. Gillette Co., for instance, sells a razor only once but blades are sold over and over.

Mr. Broby offered an intriguing bit of logic to argue that Nietzsche would eschew individual stock selection altogether: "Nietzsche believed we live in the best of all possible worlds," he said. "It follows, therefore, that he believed that stock prices correctly reflect all known information. Were this not the case, a better world would exist—that is, a world where an individual stock is incorrectly priced and it has a subsequent adjustment to reflect this. As a believer in the efficiency of the market, Nietzsche would be drawn to a proxy for the market and purchase an index fund."

Mr. Noddings took the discussion of Nietzsche to express his own disdain for the hubris exhibited by some corporate managements. "Nietzsche believed in the 'Superman,'" he said. "A number of companies may have felt it referred to them. The ones that come to mind are the U.S. banks, whose overweening global ambitions were behind their collapse in the late 1980s."

Mr. Noddings said Citicorp and Chase Manhattan Corp. fit this profile, but he warned investors to think twice about following this strategy. "Don't forget, Nietzsche went mad."

MAO WAS PROBABLY not a voracious reader of the financial pages, and Mr. Broby expressed doubts that the Chinese leader "would have appreciated companies pursuing the profit motive."

"He might, however, have been attracted by the largely loss-making Internet enterprises," he added. "After all, he believed in continual revolution and alternative economic paradigms."

In particular, he said, he might go for Netscape Communications Corp. Mr. Sull, liberally interpreting one of Mao's catch-phrases, "Let a thousand flowers bloom," said he might have invested in companies that foster bottom-up initiative from their staffs. An example he cited is Minnesota Mining & Manufacturing Co.

The notion of "bottom-up" initiative, Mr. Noddings said, could apply to his own corporate parent, HSBC Holdings PLC, which being based in Hong Kong also comes under the domain of Mao's successors in Beijing.

"Coming as it does from what was once a remote part of the world," he said, "it has a tradition of locally devoted responsibility."

Looking beyond the home team, Mr. Noddings suggested an alternative. "On a smaller scale," he said, "Halma is a U.K. conglomerate renowned for a devolved management style with emphasis on niche markets. Halma PLC offers electronic control devices, capital equipment and environmental services around the world."

Mao may have believed in bottom-up initiative, but only in small doses: His Cultural Revolution was strictly a top-down affair.

Mr. Sull said that Mao might also, therefore, have liked companies with leaderships that promote cultural revolutions of their own by initiating wholesale shakeups to renew their firms' missions and operations. He cited three such companies: ABB Asea Brown Boveri, AlliedSignal Inc. and, yet again, GE.

In Deflation's Looming Shadow, Cool Investors Have an Eye for Opportunity

SMART LONG-TERM investors never let a crisis worry them, but it is hard to live with blinders on and ears plugged. When you read, watch and hear stories about rampant deflation, Asian collapse and the imminent departure of a president, it is only natural to worry about your stocks.

Even if you follow a strict buy-and-hold discipline, you will be faced with the question: Where do I put new money? Or, if you have just refinanced your house: Where do I invest the \$300 a month that no longer goes to the mortgage company?

Let's get the White House crisis out of the way first: No matter what you think of Bill Clinton, uncertainty about his tenure is not good for the stock market. In fact, if we judge from history, it is horrendous.

Look at Watergate. The stock market peaked in January 1973, just as the burglars were appearing before a Washington judge. The Dow Jones industrial average then began a sickly decline. It was down more than 40 percent by the time Richard Nixon resigned in August 1974, leveled off and started back up just after the congressional elections. But the Dow took more than eight years to get back to its 1973 high.

Of course, it is hard to separate the Watergate effect from the bad economy the country was suffering at the same time. Still, Republicans who own stocks might consider dampening their glee over the president's rise.

Deflation is a decline in the general price level. We have not seen the condition since the 1930s, and it was not a pretty sight. Once deflation starts, it is hard to stop (the expression 60 years ago was "pushing on a string"). When consumers see prices falling, they wait until they fall some more before they buy. And wait and wait. Meanwhile, businesses go bankrupt and banks fail.

Last year, U.S. producer prices dropped 1.2 percent, and they may be a harbinger, but it is the Consumer Price Index that registers deflation, and it still shows that prices are rising. The rate of increase (or inflation), however, has been dropping sharply and consistently since 1991, when it peaked above 5 percent. Last year, the CPI rose only 1.7 percent. For 1998, some economists see a CPI rise of just 1 percent.

Inflation at this level can be wonderful. It is great for consumers and producers to know they are dealing with stable prices and great for investors to know that the value of their stocks and bonds will not be diluted in the future. With modest inflation, interest rates drop—as we have seen—and it becomes easier for businesses to borrow and for families to buy houses.

But there is a thin line between that blessed state and a deflation, which can be devastating. At the very least, when businesses cannot raise their prices, they have a difficult time increasing their profits. A stock market that expects profits to rise at 10 percent or more annually will not be pleased.

The forces that have brought the U.S. inflation rate down (the condition is called disinflation) are benign: excellent monetary management by the Federal Reserve Board, competition from abroad and at home, advances in

technology that allow firms to do more with less. But now there is a new factor: Deflation is being exported from Asia, where overinvestment and overproduction have led to currency devaluations, economic slowdowns and stock market meltdowns.

When the price of a shirt made in Thailand falls, the price of a shirt made in the United States has to fall, too—or it won't be sold. When a semiconductor plant in South Korea has to be

sold at a foreclosure price, then the value of every semiconductor plant in the world drops—and so, often, does the stock of semiconductor-makers.

What to do? Richard F. Hokenson of Donaldson, Lufkin & Jenrette, who has been talking about the threat of deflation for many months, said recently in a report to portfolio managers: "A big problem for the equity market is that earnings estimates are too high. For those who have to own stocks, selectivity becomes highly critical. For the time being, we will stay in high-quality bonds at least until earnings estimates become substantially more realistic."

Bonds are an obvious choice. As rates fall, the value of a bond you already own rises. Say you bought a 30-year Treasury bond last spring, when rates were over 7 percent. Today, rates are below 6 percent. Since your old bond continues to pay 7 percent, it is more valuable. If you wanted to sell it, you could get a premium—about 30 percent more than what you paid.

After dropping sharply for six months, they have started back up this week. Some analysts—including those at Bridgewater Associates, the Wilton, Connecticut, firm that provides research to some of Wall Street's top investors—believe that this is not the time to get into the bond market.

"Bond sentiment," said a report on Thursday, "remains vastly overbought." In other words, too many people have purchased bonds, artificially

raising prices and lowering yields. Maybe. My own view since August has been that investors should assiduously review their holdings and make sure they have enough bonds. Most portfolios do not.

But what about stocks? Merrill Lynch & Co. recently published a fat report called, "The New World of Deflation: Implications for Investors." One conclusion was that cable TV, telecommunications and utility companies will benefit, since they are protected from Asian imports and their costs (both supplies and borrowing) will fall in a deflation.

For example, BI Research which has produced the second-highest returns over the past 10 years of the 59 newsletters tracked by the Hulbert Financial Digest, has recommended AmeriLink Corp., which constructs and installs cabling systems for telecom companies. The stock dropped more than one-third from October to December but has risen 15 percent this year.

Other beneficiaries from deflation include soft-drink bottlers, which will also gain from lower expenses but do not

have to worry about demand flagging even if consumers get depressed, and defense companies, since, says Merrill Lynch, "the administration lets the Department of Defense keep and spend any savings it gets from low inflation in the cost of their programs."

In its report, Merrill cites companies in the food, consumer products, drug and software sectors as "defensives." They have no excess of productive capacity, and Asian imports are not much of a threat to them. In some industries, including film, electrical equipment and computer technology, "price deflation has been a way of life for a long time, so the current environment is just more of the same," writes Merrill's Jeanne Terrell.

The game of trying to analyze industries and companies in a deflationary environment is one you can play yourself. Think about airlines, for example. They have reaped a bonanza from falling oil prices. USAir Group Inc., for example, has nearly tripled in price in the past year. But some airlines are already feeling the impact of falling demand in Southeast Asia. United (UAL Corp.) reaps 21 percent of its sales from its Pacific routes while American (AMR Corp.) and Delta Air Lines Inc. collect only 2 percent each.

Or consider fast-food restaurants. They can expand using cheaper credit, their costs should decline and it is doubtful that demand for hamburgers and chicken will fall off. The only problem is that there may already be too many McDonald's outlets in the United States, and expansion plans for Asia are going sour. That's why a company like Starbucks Corp., down 13 percent in the past month, may bolder more promise.

Large multinational banks have already been hit hard by the Asia-deflation crisis. Chase Manhattan Corp. and Citicorp have dropped 20 percent since October. But some analysts are high on banks that receive a big chunk of their revenues from fees and do not have much exposure to borrowers who might default. David Hilder and Rosalind Vint of Morgan Stanley Dean Witter, Discover & Co., for instance, recently issued a "strong buy" rating for Bank of New York Co., whose earnings from trusts and stock-transfer processing are soaring. The stock price has been flat since November.

But often the best plays in an environment like this one are contrarian. In other words, it is no secret that Chase has serious exposure with its Asian loans, so the diminished earnings that should result may already be reflected in its price. I am not saying that Citicorp and Chase are necessarily good buys right now, but other banks that have been dragged down may be.

One is Republic New York Corp., which does business on five continents (including, obviously, Asia) but which holds only 20 percent of its assets in loans. It will soon be generating 50 percent of its profits from private banking services for rich clients. "The stock," says Merrill's Judith Kraushaar, "has traditionally been a safe-haven when earnings pressures surface for other banks because of its history of low-loss experience and unusually high capital ratios." So far, however, investors have been shunning Republic, which trades at a price-to-earnings ratio of 13.

Washington Post Service
For further information, contact:
• BI RESEARCH Telephone: 1 202 770 9244

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THE MONEY REPORT

Look Down for Stocks to Grow Up

Unrealized Value' Is the Key to Bottom-Up Investment Strategy

By Digby Lamer

FOR THE uninitiated, the idea of an investment portfolio going bottom up may sound like the aftermath of a nasty stock market crash. In fact, the bottom-up approach is the staple of professional investors worldwide.

It involves picking stocks for reasons specific to particular companies, regardless of the prospects of their sector or market. In other words, no matter how markets are performing, some stocks have more value than others.

Richard Wort, a spokesman for the Bermuda-based GAM Global Asset Management, said that several of GAM's fund managers used the bottom-up philosophy.

"For us, the whole process begins, ironically, by taking a macroeconomic view," he said. "From that, we select countries or sectors we think are worth looking at. After that, rather than taking a broad sweep of stocks, we get a locally based manager to make a bottom-up selection."

The advantage this has over some other philosophies is that it focuses the portfolio on a group of stocks with strong growth potential.

The disadvantage, especially for private investors, is the amount of time and effort needed to research individual stocks, he added. This can be done in several different ways and some methods are less arduous than others.

GAM managers meet corporate executives and tour production units of the companies in which they invest.

"We avoid getting bogged down in most of the statistical material that's available," Mr. Wort said. "What we're looking for are stocks with unrealized value. Traditional value measures tend not to pick that up."

By visiting individual companies, investors get a feel for the quality of management and get a first-hand view of the products and services on offer.

"It's amazing the sort of ideas you

pick up from just touring a factory," he said. "For example, you may see a pile of rusting tubing or some raw material that suggests production is slowing."

What Mr. Wort likes most about bottom-up investing is that it can be applied to any market or sector, regardless of the prevailing investment trend.

"We've been underweight in the Far East for about the last year, but we haven't abandoned it altogether," he said. "Roughly 6 percent of our assets are now invested there, primarily in Japan. By looking for stock that are basically sound, we can insulate ourselves from the gyrations of the market."

The largest portion of GAM funds are invested in Europe. Two of Mr. Wort's current favorites are Telecom Italia SpA, Italy's privatized telecommunications business, and the Swiss pharmaceutical company, Novartis AG, created by the merger of Sandoz and Ciba-Geigy in 1996.

"The Italian market, especially, seems to be throwing up a number of good value stocks at the moment," he said.

For investors with neither the time or expertise to build close relationships with corporate executives, there are alternative bottom-up methods.

Jayesh Manek, chief executive officer of Manek Investment in Britain, uses standard value measures to make bottom-up selections. His aim is to invest in businesses that will outperform their market average over the medium and long term.

"You can't get it right all the time, but if 60 percent of our stocks perform well we can still do better than average," he said. He added that bottom-up portfolios tend to concentrate on a smaller number of stocks than those taking a broad view of a market or sector.

"On a bottom-up basis, your 100th stock is rarely as strong as your first, so we stick to around 30 or 40," he said.

The figures he uses to make selections are readily available. The initial selection is made on the basis of earnings growth.

"We look for a history of between

three to five years of above earnings growth," Mr. Manek said. "On top of that, we want to see projections for the same level of performance over the next couple of years."

This is compared to the firm's average price-to-earnings ratio over the same period. The lower the P/E ratio, the better growth potential it is thought to have.

"None of these factors is enough in isolation and we like to see a P/E figure that is lower than average earnings," he said. But he noted that not all his selection criteria were qualitative.

"Very often there are key factors that set a business apart from its competitors," Mr. Manek said. "We're especially interested if it has strong cash flow, that sort of thing. It helps limit any possible downside."

His current favorite stocks are both British. The first, JTB Sports PLC, has growth expectations of up to 40 percent over the next two years, he said.

"Its cash flow is better than its profits and its return on capital is very good," he said. "On top of that, its franchising ability is very strong."

Since picking up on the stock two years ago, its value has gone from £1.60 (\$2.70) to £6.55.

"It's hard to say how high it might go from here, but we certainly expect it to do better than the market average," Mr. Manek said.

His second choice is Anite Group PLC, which two years ago was a debt-ridden mess. Since then, it has sold off a number of unprofitable businesses and focused on its money-making software activity.

"Thanks to its restructuring," he said, "Anite has climbed from a net debt position to having a cash surplus of more than £40 million." Its stock has been rising, albeit irregularly, since November, when it touched a low of 39.5 pence. On Friday, it traded at 57 pence.

Although Mr. Manek expects to hold each stock for at least five years, he said it was important to monitor them for adverse changes.

BRIEFCASE

If a Slowdown Looms, Keep an Eye on Spin-Offs

High-Yield Analytics Inc., a Chicago investment boutique, has a handful of forthcoming U.S. spin-offs in its sights. With pressure on American corporate profits from an expected slowing of the U.S. economy and the financial crisis in Asia, spin-offs offer investors the possibility of returns in excess of the market, the firm said.

Spin-offs, companies that are cut loose from their parents, attracted widespread attention in the United States last year, mostly because of AT&T Corp.'s high-profile and highly profitable \$23 billion spin-off of Lucent Technologies Inc., its maker of communications equipment and software. Lucent's share price has since more than doubled.

But spin-offs are not guaranteed to be profitable. "Each one requires careful analysis," warned Joseph Cornell, an analyst with High-Yield Analytics.

For example, investors have shunned Tricon Restaurants, PepsiCo Inc.'s spin-off of its Taco Bell, Kentucky Fried Chicken and Pizza Hut restaurants, because it is weighed down by \$5 billion in debt.

"That scared me," said Mr. Cornell. Tricon shares have slumped to about \$25, from their original \$32.

Prospects look better, in his view, for the approaching spin-offs from Whitman Corp., the largest Pepsi bottler in North America. It will officially sever two of its units, Midas Inc., the muffler and auto-repair concern, and Hussman International Inc., a maker of refrigerated display cases, on Jan. 30. Mr. Cornell noted that Midas is struggling, but is a "great brand" that could do better on its own, and Hussman is a leader in its industry.

But he also likes Whitman, the parent, because it will pay off half its debt with cash from the spin-offs, and, he suggested, may merge with PepsiCo's bottling business to form a separate company.

He also likes Ford Motor Co. and its soon-to-be-independent consumer finance group, Associates First Capital Corp.

"Ford you could buy right now to get the Associates dividend," he said. Then, he predicted, if the automaker also sells off its Hertz car-rental unit, "you're getting Ford on the cheap, and they've got a ton of cash on their balance sheet and a fat dividend."

Another company on Mr. Cornell's "watch list" is Ameritech Corp., the regional Bell telephone company. If regulators decide that it must let competitors use its \$30 billion network at the same prices Ameritech pays, it may well spin it off and become strictly a marketing company, he said.

But investors should not expect instant, Lucien-like profits, he warned. The share price of a spin-off typically underperforms the overall market for three to six months, then starts to rise, assuming it has positive earnings, and Wall Street begins to follow the company.

A study of 161 spin-offs by Pennsylvania State University showed that they outperform the market by 4.5 percent in the first year, but rise to 25 percent in the second, and 31 percent the third year.

For further information: HIGH-YIELD ANALYTICS is offering a free report on spin-offs in Money Report readers. Call 1-312-222-0500, or fax 1-312-222-1112.

THE MONEY REPORT carried articles about spin-offs on May 10, 1997, and Dec. 20, 1997. These articles are available on the Internet at www.ihf.com/ITMONEY.

Newsletters' New Swipe At Critic Is Off the Mark

To hear his enemies talk, one would have to conclude that Mark Hulbert, a one-time Oxford University scholar who publishes a list of the most- and least-successful investment newsletter writers, was an awful guy.

"I sued him 14 years ago," said Yale Hirsch, editor of Ground Floor, a small-stock investment newsletter. "He has made a lot of blunders but he's unfortunately been Mr. Teflon — nothing seems to stick."

"His mathematics are absurd," adds P.Q. Wall of the P.Q. Wall Forecast.

Inspiring the rounds of vitriol about

Mr. Hulbert is his Hulbert Financial Digest, a monthly newsletter run out of Alexandria, Virginia, that evaluates the advice given by investment newsletter writers. He puts together hypothetical portfolios to show how well — or badly — an investor would do by following a newsletter's advice.

Mr. Hulbert's attackers have come up with the same criticisms year after year, but in learning that they were on a list of 1997's worst performers, his foes came up with a unique attack. This time, the critics in some cases gleefully proclaimed that Mr. Hulbert was so disoriented that he was under investigation by the U.S. Securities and Exchange Commission.

The SEC, as is its policy, would not confirm or deny an investigation. Asked if the SEC was investigating him, Mr. Hulbert said, "Of course not."

So what are the newsletter writers talking about? An innocuous reference to Mr. Hulbert, apparently, in one of the letters he follows.

"We have been advised not to use the performance percentages generated by The Hulbert Financial Digest," wrote Al Frank in the Sept. 2 issue of The Prudent Speculator. "The reasoning behind this SEC command is that we do not have work papers supporting said percentages."

Mr. Frank, who was using his No. 1 long-term ranking with Mr. Hulbert in his advertising, was challenged during a routine SEC inspection in a way the SEC frequently challenges registered investment advisers who advertise: Prove how you got those hypothetical gains, or don't use them in your ads.

Because Mr. Hulbert does not routinely give out information from his research, Mr. Frank could not prove to the SEC that an investor would have enjoyed the spectacular gains that Mr. Hulbert attributed to him. So in the view of those letter-writers who scorn him, Mr. Hulbert is "under investigation."

Mr. Frank said that he was incredulous that his words could have been misused this way.

"I never said he was under investigation," he said, adding that he wound up getting from Mr. Hulbert the documents that would satisfy the SEC and allow him to resume use of the ads.

(Bloomberg)

Bullish Players Feed Financial Betting Boom

Betting on the financial markets is not for the faint-hearted, but the practice is enjoying a boom, according to Michael Spencer, chairman of London's largest financial bookie, City Index.

The financial bookmaker has an estimated 10,000 risk-loving customers and betting volumes rose 30 percent last year, Mr. Spencer said.

Mr. Spencer said one of the big attractions of City Index for British gamblers was that there is no tax on profits, since they are treated as bets.

And there is no limit to the potential gain or loss that can be made, since the bookmaker trades solely through "spread betting" — or betting on a rise or fall in an index or individual security against the bookies' central price.

If a gambler stakes £10 (\$16.48) on the Financial Times-Stock Exchange index rising above a certain level and he calls the market correctly, the winnings multiply by every point the index rises. Should the index fall, losses mount in the same way.

In "fixed-odds betting," by comparison, a bettor can only ever lose the money that is staked.

"It is quite feasible for customers to win, or indeed lose, hundreds of thousands of pounds with one position, particularly in the financial markets where we've seen massive volatility recently," Mr. Spencer said.

Last month, a City Index client landed a windfall of more than £3 million after staking just £5 on the performance of the world's stock markets.

Mr. Spencer estimates that his firm has paid out about £100 million in total winnings this year.

The bulk of City Index's clients work in London's financial sector. But foreign investors also can play.

The firm offers more than 100 markets to bet on. About 70 percent of business is financial and 30 percent related to sports. City Index's main rival is the smaller, privately owned IG index.

Mr. Spencer said City Index had few institutional clients, because most of them preferred to limit their risks through more formal financial instruments, such as futures and options.

One of the strangest bets City Index has offered recently is the number of currencies likely to be included in the first wave of European economic and monetary union next year.

The time in minutes before the first throw-in of a soccer match is another off-the-wall bet that was offered. But it was withdrawn after one season because it was open to potential manipulation, Mr. Spencer said.

But the majority of clients prefer to stake their money on future movements of the FTSE-100 or the Dow Jones industrial average.

Having established City Index in the British market, Mr. Spencer is seeking to expand the service in Asia and Australia. He has three branches in Australia, although their services are limited to sports betting.

One of Mr. Spencer's pet hopes is to develop gambling on the Internet. With this in mind, he is discussing projects with the British media company Mirror Group PLC. He sees the days of dingy betting shops as numbered.

"Why would you go to a shop," he asked, "when you can place bets by phone in the comfort of your own home?"

(Reuters)

For further information:

CONTACT CITY INDEX by telephone in London, 44 171 554 8500, or visit its Web site at www.cityindex.co.uk.

In 1997, Assets Rose In French Mutual Funds

Total assets in French mutual funds rose 2.2 percent last year as investments surged into French and international stock funds.

According to the independent French mutual-fund monitoring company EuroPerformance, assets under management in mutual funds in France rose to 2,040 trillion francs (\$340 billion) in 1997 from 1,997 trillion francs in 1996.

The rise in stock markets around the world boosted investment in equity fund assets by 32.9 percent, to 480 billion francs. Last year, France's benchmark CAC 40 stock index rose 29.50 percent, while the U.S. Dow Jones Industrial Average rose 22.6 percent.

There was no change in assets invested in bond funds in France, at 420 billion francs, while money-market fund assets fell 1.1 percent, to 996 billion francs. France has the second-largest fund market in the world after the U.S.

"Performance was exceptional in 1997," Baudouin de Brie, chairman of EuroPerformance, said at a conference to present the results. "Overall, there was a wealth of activity."

Last year was the second straight year in which investment in equity funds increased.

(Bloomberg)

Citibank to Offer Japan Dollar-Based Credit Card

Citicorp Card Service Inc., a subsidiary of the U.S. lender Citibank, is planning to introduce a credit card in Japan specifically for purchases made in U.S. dollars, the first such card in the country.

Cardholders will be able to pay for dollar purchases from dollar-denominated accounts at Citibank in Japan. Citibank expects the demand for these services to grow in Japan after rules restricting foreign-currency exchange are lifted in April, giving individuals and companies more incentive to conduct transactions in currencies other than yen.

(Bloomberg)

The Money Report article in the Jan. 17 edition about international dogs of the Dow strategies contained an error in the German listings. Deutsche Telekom should have been included in place of Deutsche Bank, the performance results, however, were for the latter.

Deutsche Telekom had a total return of 4.77 percent last year, compared with a gain of 47.11 percent in the overall DAX index, which is calculated on a total-return basis.

Ulrich Holland, the reader who brought the mistake to our attention, also alerted us to an interesting name he uses for the German dogs: DAXhunde.

Fund Shuns Risk but Limits Reward

By Carole Gould

THE CONVENTIONAL wisdom is that only risk-takers can hope to win big in the investing game. But that does not stop market strategists from trying to rake in competitive returns with low risk.

One such strategy, called "market-neutral," has long been used by wealthy investors. Now, thanks to the Taxpayer Relief Act of 1997, U.S. mutual funds can do market-neutral investing. The first one to adopt the strategy is the San Francisco-based Barr Rosenberg market-neutral fund.

"It's wonderfully seductive, like sugar without the calories," said Michael Stolper, who evaluates investment managers for wealthy clients. "But it's terribly difficult to get right."

It is important for investors to remember that market-neutral investing aims to produce steady, moderate gains, not spectacular ones.

"In a bull market, a fund like this won't share in the upside at all," said Paul Pudaiter, director of quantitative research for Morningstar Inc., the Chicago-based fund-tracker.

Because investors face the likelihood of heavy taxes while forfeiting high returns, market-neutral is perhaps not the holy grail after all.

Market-neutral investing, which has been around since 1949, when the first hedge fund was set up, gained favor in the late 1980s after the stock market crash of 1987. Investors looked for ways to make money whichever way the market moved, and market-neutral was one answer.

In market-neutral investing, managers invest money in stocks they believe are undervalued and then "neutralize" the risk by shorting an equal amount of stocks that they believe are overvalued. That is selling borrowed shares. The expectation is that the price will fall and the borrowed securities can be repaid with shares that cost less. The cash raised by the short sales is invested in short-term Treasury securities. Simply put, if the stock market rises, the long positions make money and the shorts lose money. When the market falls, the opposite occurs.

IN EITHER CASE, the Treasuries provide a money-market return. If the strategy works perfectly, the long stocks earn more than the shorts lose, adding to the portfolio's profit. The tricky aspect is that it all depends on stock-picking — getting the right longs and the right shorts.

The tax-law change that allowed mutual funds to adopt market-neutral investing was the repeal, effective Jan. 1, of what was known as the short-sale rule. It had prohibited funds from earning more than 30 percent of their income from short-term gains, and all short sales were deemed short-term.

In Barr Rosenberg's fund, management plans to use a computer-based model to rank the universe of small- and mid-capitalization stocks. It will buy the most attractive ones and short the least attractive. A composite of the institutional accounts it manages using similar strategies gained 17.66 percent for the three years that ended on Nov. 30, the company said, and 13.85 percent for five years.

These gains are 12 percentage points and 8 percentage points, respectively, over the yield on three-month Treasury bills.

But the spread is less than 3 percentage points for the 10 years that ended Nov. 30, when the market-neutral accounts gained 8 percent, the company said. And an 8 percent gain looks far less attractive when compared with the Standard and Poor's 500-stock index, which rose 18.7 percent a year on average for the 10 years through November.

Despite the reassuring name, market-neutral funds carry risks. Two fixed-income private partnerships billed as market-neutral, Granite Partners and Fenchurch Capital Management, fell apart after the bond market sagged in 1994.

Investor shares in the Barr Rosenberg fund carry a \$2,500 minimum investment. Fund expenses are expected to run 2.5 percent a year, not high relative to hedge-fund costs but well above the average mutual fund's expense ratio of less than 1.5 percent.

KEN GREGORY, publisher of the No-Load Fund Analyst in San Francisco, is adding substantial stakes, up to 21 percent, in the new fund to his publication's recommended portfolios. "Because the returns from market-neutral are not correlated with stocks or bonds, the investment offers powerful diversification benefits," he wrote in December.

He is optimistic about its performance, too. "If we are right about stock market returns falling somewhere between mid-single digits to low double digits over the next three to five years, then the returns from market-neutral have the potential to be very competitive, with much less risk than the stock market," he said.

Still, he conceded that the key to successful market-neutral investing is carefully matching the long and short portfolios, mitigating not only market risk but also exposure to specific industries, interest-rate fluctuations and other risks.

New York Times Service

Keebler to Brave IPO Market

KEEBLER FOODS CO. is hoping to work some of its elfin magic on investors. Keebler, the cookie company symbolized by a band of elf bakers inside a hollow tree, is expected to make an initial public offering worth up to \$275 million next week. With the new-issues market feeling skittish these days, there may be nothing more reassuring than the debut of this enterprise, which is 145 years old and measures its sales in billions of dollars.

Indeed, the offering, which includes 11.5 million shares priced at \$21 to \$24 each, may be smart as well as fortunate.

Flowers Industries Inc. certainly seems to think so. Flowers, a publicly traded baked goods company in Columbus, Georgia, is one of the three companies that bought Keebler in a leveraged buyout in 1996. The other two, Airtel Luxembourg S.A. and Bormo Ltd., are selling a portion of their shares in the offering. But Flowers will

buy enough of those shares to raise its stake in Keebler to 57 percent from the current 45 percent.

LIKE OTHER INVESTORS, Flowers may be drawn in part by the company's famed names. Millions of American consumers know such Keebler brands as Hydrax, chocolate sandwich cookies, Pecan Sandies, Cheez-It and Carr crackers, and Ready Crust frozen pie crusts. The word Keebler is itself widely recognized, too.

"Orco's is a powerful name but it's associated with one product," said Mark S. Basham, a research analyst at Standard & Poor's Corp., referring to Nabisco Brands Inc.'s well-known cookie. "But the Keebler brand has universal recognition. It's not associated with a specific product."

In addition, Keebler, which had 1997 sales of \$1.54 billion through Oct. 4, is the only American cookie and cracker company besides Nabisco with its own national distribution system. This puts

Keebler employees in supermarkets several days a week, which allows them to keep close track of inventory, to identify fast — or slow — selling items and to spruce up displays. Keebler wants to capitalize on these significant advantages by expanding its distribution network to mass merchandisers and discount shopping clubs.

Then there is Keebler's acquisitions strategy: its purchase of Sunshine Biscuits in 1996 is an example. Such takeovers allow Keebler to extend its famous name to more brands and to increase its share of the \$4 billion cookie market, where it now ranks second with 16.6 percent.

Globbing up other cookie companies also makes fuller use of Keebler's manufacturing capacity, which is running at only 82 percent even after the Sunshine purchase. Given these idle facilities and Keebler's distribution system, such acquisitions can confer their advantages at little cost to the company.

New York Times Service

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WORLD ROUNDUP

Dutch to Boycott
Swim Meet in China

SWIMMING Angered over drug use by Chinese swimmers, the Netherlands' top swimmers will boycott next month's World Cup meet in Beijing in protest, officials said Friday.

Dutch television quoted the Dutch Swimming Federation as saying the team intended to sit out the Feb. 25-26 meet because it contends that FINA, the sport's international governing body, is ignoring the problem.

At this month's world championships in Perth, Australia, a Chinese coach and swimmer were caught with performance-enhancing human growth hormones at Sydney airport and later banned by FINA.

Four Chinese swimmers also tested positive for a diuretic drug and were suspended.

The suspensions ignited fresh debate over whether the Chinese should be allowed to continue competing internationally. But FINA's chief, Gunnar Werner, said earlier this week that there was nothing to suggest the Chinese were systematically using drugs. (AP)

Swiss Wins a Downhill

SKIING Didier Cuche of Switzerland won a two-beat sprint downhill event on Friday in Kitzbuehel, Austria, for his first World Cup victory.

Cuche's overall winning time was 2 minutes 31.55 seconds. Nicolas Burtin of France was second in 2:31.69, followed by a compatriot, Jean-Luc Cretier, who clocked 2:31.87. Another Frenchman, Adrien Duval, shared fourth with Juerg Gruenfelder of Switzerland in a time of 2:32.04. (AP)

In Cortina D'Ampezzo, Italy, Melanie Suchet of France won her first World Cup race as a fast, altered Super-G course forced out 10 of the top 15 racers on Friday, leaving many of them angry.

Isolde Kostner of Italy, who was a big favorite after winning the downhill on Thursday, said the officials made the turns much tighter than usual and virtually impossible to complete at high speeds — explaining why some of the best racers went off the course while the slower ones made it down. (AP)

Els Leads in Thailand

GOLF Britie Els, the defending champion of the \$1.3 million Johnnie Walker Classic, sent a message to Tiger Woods on Friday: You won't take my title.

The South African shot 65 on his way to a 12-under par 132 for a three-stroke lead after the second round of play over the 7,099-yard (6,490-meter) Blue Canyon Country Club course in Phuket, Thailand. Woods, whose mother is Thai, finished one-under-par for a second-day total of 143. (AP)

Super Teams Honing
Showdown Strategies

Crossing Patterns May Be Key to Passing Game

By Thomas George
New York Times Service

SAN DIEGO — The defenses for the Green Bay Packers and the Denver Broncos do not want to be crossed on Sunday in Super Bowl XXXII. But it will very likely happen, frequently, with pass patterns by receivers from both offenses that create confusion.

Especially in this Super Bowl. In past years, smaller receivers played the vertical game to the hilt. Run straight. Run deep. Catch the bomb. But in recent seasons, as National Football League offenses have turned to bigger receivers who can take punishment over the middle, crossing patterns have be-

come popular. They are also a reaction to blitzing defenses that come after the quarterback more quickly and with more venom. Send your receiver across the field and hit him with the pass quickly. That is the offensive answer.

Simply stated, the crossing pattern involves a receiver aligning wide on one side of the field, then running five yards or a little more straight downfield — about 12 yards for the deep cross — and then turning and running directly across the field. Sort of an L-shaped pattern. Rather than finishing as a vertical pass route, it is a horizontal route. But the defensive back is forced to cover the receiver in a vertical way.

"The receiver is always at an advantage from the snap because he knows where he is going and you do not," said Tim McVay, a Broncos cornerback. "So, he gets the step advantage and then he runs across the field and you are playing catch-up all the way. I mean, you've got to haul it when you're covering a fast guy horizontally even more than vertically. At least in the vertical, you can backpedal and turn and get position."

Fritz Shurmur, the Packers' defensive coordinator, said: "We're very good at it, and Denver is very good at it. They can run them shallow and deep, and it makes you play your defense differently, especially in the area where you might want to stack your defense in layers of pass coverage."

For Green Bay, Robert Brooks and Antonio Freeman are receivers who run this route with flair. Freeman used it against the San Francisco 49ers in the National Conference championship game for a 27-yard, second-quarter score that helped Green Bay roll to a 23-10 victory.

"I call Brooks full speed and Freeman warp speed," said Mark Collins, a Green Bay cornerback. "I see these guys every day in practice, and both of them are dangerous after the catch. The crossing patterns make sure they get the ball quickly. Then they burn you with moves and speed. Defenses today are designed not to give up the big play. They are stacked to keep you from hitting the deep 60-yard bomb."

"So, you cross, you throw for five yards — and then run for 55. Brooks or Freeman can do that."

For Denver, Ed McCaffrey, 6 feet 5 inches (1.95 meters) and 215 pounds (97 kilograms), and Rod Smith, 6 feet and 190 pounds, are resilient in traffic. McCaffrey's crossing pattern and catch in the playoffs against Kansas City caught the Chiefs in a blitz and with the defender on McCaffrey picked, or slowed by being rubbed into another player. The fourth-quarter play went for 43 yards, to the Chiefs' one-yard line and set up the winning score — a Terrell Davis one-yard run in Denver's 14-10 victory.

"We don't mind taking a hit," Smith said. "And we know how to get by the first guy."

Don Beebe, Green Bay's receiver playing in his sixth Super Bowl, said: "Linebackers are geared to stay in there and stop the run. They are out used to wide receivers coming in and out of their area of pass coverage. They have a tendency to lose you. They are looking in at play-action and play-fakes in the running game. You are flying right past them to get free. Really, what you are doing is stretching the field in a different way — horizontally."

Brett Favre, the Packers' quarterback, said the crossing pattern is most dangerous when defenses are in man-to-man coverage.

"You've got man coverage on a receiver and let's say the defensive back gets rubbed or picked on the inside by one of your players or one of his as he's running across in coverage," Favre said. "Then you've got them. Your guy is running free. And when the blitz is on, forget it. No one is there as a backup. That makes it dangerous for the defense. In that case, a 4- or 5-yard pass completion can go a long way."

It is a play that takes extreme advantage of any defensive holes in the middle of the field. And even though it is most effective against man-to-man pass coverage, it can work beautifully against zone pass coverage, too.

"There is a lot of traffic out there anyway in the passing game and then, if you're in zone and a receiver is crossing, he is going in and out of people's zone responsibility," Green Bay cornerback Doug Evans said. "Is he in my zone or your zone? Your responsibility or mine? This creates confusion. And, too, it makes the linebackers play more honestly. They may be gearing up for the running game or for a blitz. If a guy is crossing, it makes them stay back on their heels more."

Brooks cornerback Darrien Gordon said, "You've got to make decisions on this play, and you have to make the right ones or it will cost you. We are looking for it. I'd guess the Green Bay defense is looking for it. Both better be prepared."



Denver's quarterback, John Elway, gearing up for practice in San Diego as the Broncos prepare for the Packers.

Despite Elway, the Broncos Look Outgunned

By Thomas George
New York Times Service

Green Bay (15-3) vs. Denver (15-4)
The difference between these teams in records is one game. Both have 15 victories, but Denver has four losses, one more than Green Bay.

The differences between these teams on the field, however, are more striking. Green Bay is bigger in the trenches. Green Bay is bigger at tailback. Green Bay is faster at receiver. Green Bay is regarded as the more physical team. This matchup is one of size versus quickness.

Denver, the quick bunch, will rely on its offensive line and John Elway to make it happen in the passing game, in the pocket and on the run. Denver's

offense also needs to display the ability to control the ball.

On defense, Denver needs to mix its coverages and become one of the few teams to confuse the Packers' quarterback, Brett Favre.

The Denver defense might be able to do it. On offense, though, it is a long

Denver, however, needs to do several exactly right to win. Green Bay, on the other hand, can simply play its game — physical and exacting on both sides of the ball — and prevail. The NFL has won the last 13 Super Bowls. Make it 14. Prediction: Packers, 31-20.

Odds-makers Like Green Bay

The Green Bay Packers were favored by 11½ points over the Denver Broncos by Ladbrokes, the British bookmaker. The Associated Press reported from New York, The Packers' running back Dorsey Levens was the favorite to score the first touchdown. In Las Vegas, about half of the sports books also had the Packers as 11½-point favorites, while others had them favored by 12 points.

SUPER BOWL MATCHUP

A New Tiger Emerges in Melbourne

The Associated Press
MELBOURNE — Another tiger of Thai parentage is on the prowl in big-time sports. Tamarine Tanasugarn mauled the French Open champion Iva Majoli at the Australian Open on Friday, advancing to the round of 16.

An unknown compared with the golfer Tiger Woods, who has a Thai mother, the Los Angeles-born Tamarine still made a big impression, needing slightly more than an hour to eliminate the No. 4 seed, 6-0, 6-2. Majoli, the player who kept Martina Hingis from sweeping all four Grand Slam tournaments last year, was the highest women's seed to fall so far.

"I'm shocked — it's like I still can't believe that this really happened," said Majoli, who added that she had been playing well in morning practice after two good rounds here.

"She was controlling lots of points, but even when I did have a chance, my

balls would just go and I had no idea where they were going," she added. She gave Tamarine credit for not losing her nerve playing a top seed.

Also ousted Friday were the men's No. 11 Alex Corretja, of Spain, who lost to Cedric Pioline of France, 6-2, 6-1, 6-4, and the women's No. 13 Lisa Raymond, who was ousted by Patty Schnyder of Switzerland, 2-6, 6-3, 8-6. Ten of the 16 men's seeds have been eliminated, but only No. 3 Michael

THE AUSTRALIAN OPEN

Chang is among the top six. Five of the women's seeds are gone. Among the lesser-knowns who advanced was Hicham Arazi, one of two Moroccans still in the field. He beat Francisco Clavet of Spain, 4-6, 6-4, 3-6, 6-2, 6-1, in his second straight five-set match. He eliminated No. 15 Mark Philippoussis in the second round.

Pete Sampras, the men's defending champion, rolled on, as did Petr Korda, the man in the top half of the draw who most worries him. Sampras defeated Magnus Gustafsson of Sweden, 7-5, 6-3, 6-4, and will play Arazi.

After allowing only one break point and serving 18 aces, Sampras said, "I have no complaints about the way my performance is progressing so far and in the future things are looking real smooth."

Korda moved toward a possible semifinal clash with Sampras by beating the American qualifier Vince Spadea, 6-2, 7-5 (10-8), 6-2, and then doing three exuberant scissor kicks on Center Court to mark his 30th birthday.

"I couldn't do 30 of them because I would die," said the left-hander, who lost to Sampras in five sets at Wimbledon last year and then beat him in five at the U.S. Open. He next plays Pioline.

In contrast, Tamarine was decidedly low-key. "Last night I was thinking, O.K., I just try to play my best tennis today, and it's a good opportunity if I win because it is the first time I beat a Top 10 player, and if I lose, I think, it's O.K."

A victorious Cedric Pioline of France returning to Alex Corretja of Spain at the Open on Friday.

Hornets Keep Rockets Under a 'Dark Cloud'

Charles Barkley called Houston's five-game losing streak a "dark cloud" that had nothing to do with injuries.

"We're struggling right now, man," Barkley said after the Rockets' 93-86 loss Thursday night to the Hornets in Charlotte. "We've got more pressing concerns than injuries."

Those concerns involve Houston's efforts to acquire the point guard Damon Stoudamire from the Toronto Raptors — and the Rockets' apparent willingness to give up as many as three players to make a deal.

"We're in an emotional funk right now — we've got to do something about that trade situation," said Barkley, who finished with 13 points.

The Hornets won the game Thursday on the shoulders of David Wesley, who scored 28 points. He made a 3-pointer from the top of the key to tie it at 70 with 9:47 left. He then blocked Rodrick

NBA ROUNDOUP

Rhodes's lay-up attempt at the other end and hit another 3-pointer from the left wing.

Pistons 94, Clippers 76 Grant Hill scored 35 points as Detroit got back to the 500 mark with a victory over the Clippers in Los Angeles.

With the Pistons ahead 80-69, Joe Dumars hit a 3-pointer to start a 9-0 run that put Detroit in front 89-69 with 2:23 left. The Pistons played without Brian

Williams, who is sidelined by tendinitis in his left knee.

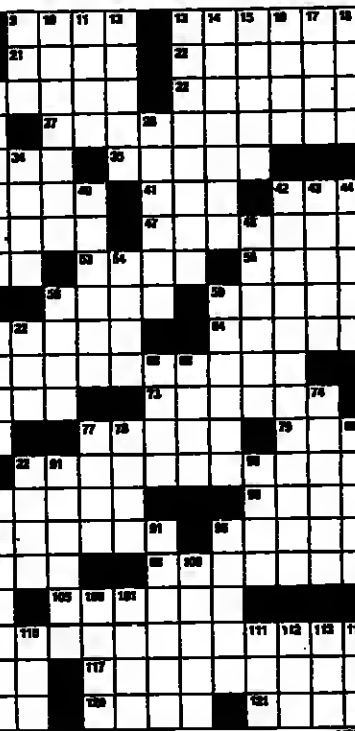
The Clippers trailed by 43, nearly in the third quarter before Hill scored six straight points to build the lead to 10. Hill and Dumars each scored nine points in the third quarter as the Pistons led by 65-54 entering the final period.

Cavaliers 112, Kings 96 In Cleveland, Shawn Kemp led six players in double figures with 20 points, helping the Cavaliers snap a three-game home losing streak with a victory over Sacramento. The 112 points were Cleveland's highest offensive output this season. Cedric Henderson scored 16 points and Wesley Person added 15 for the Cavs, who have defeated Sacramento 22 times in their last 27 meetings. (AP Writers)

SEEING DOUBLE By Dave Tueller

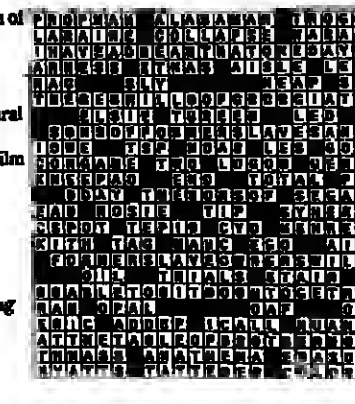
- ACROSS
- 1 Where the 1986 World Series was won
- 5 Lot
- 9 Automotive pioneer
- 13 Prepare to go home, in a way
- 19 Overtime
- 21 Kind of service
- 22 List ender
- 23 Coffee addict's meal?
- 25 Special correspondent
- 26 "Soap" spinoff
- 27 Humpty Dumpty short?
- 29 Like ghost stories
- 33 Saying nothing
- 35 News
- 36 Awakened
- 37 Computer program input
- 41 Ticket place: Abbr.
- 42 Sch. subject
- 45 Flowing woe
- 46 Hydrocarbon derived from petroleum
- 47 1962 NASA success
- 49 An otherwise well-behaved liar?
- 53 One-on-one sport
- 55 Channel fragrance
- 56 "—" precaution
- 57 "Voiceless Carry" vocalist Mamm
- 58 90's actor Epps
- 59 Luke's "90210" role
- 60 Pansy snoot with a repetitive name
- 62 Landscaper's tool
- 64 Capricious, e.g.
- 65 Method for making cards, Illinois-style?
- 70 Divided into sections
- 72 Highlander's home?
- 73 Oceanus and brother
- 75 Some construction beams
- 76 Part of a wagon train
- 77 Profit
- 79 Jump causer
- 81 Old "Tonight Show" theme writer
- 82 Grade
- 83 Tot's plaything?
- 86 Fumes
- 88 Gathering places
- 90 Sale item label
- 91 Wife, with "the"
- 96 — Ababa
- 98 Had
- 99 Sells
- 101 What to serve stew in?
- 105 Hard
- 106 Natural gas component
- 109 Ice cream as still life?
- 115 Passes
- 116 Perfectly healthy, to the Army
- 117 Person who cracks a whip
- 118 Can't stand
- 119 Kind of home or room
- 120 Russian river
- 121 Tax
- DOWN
- 1 Gal of song
- 2 1970's Chinese premier
- 3 Erhard's discipline

- 4 Part of a toll-free long-distance number
- 5 Less exposed
- 6 Identical
- 7 Haughtiness
- 8 Woodworking groove
- 9 Control
- 10 Blockers, e.g.
- 11 Vestige
- 12 Twisted fabric
- 13 Verbal dueling
- 14 God, with "the"
- 15 Cords
- 16 Purine alternative
- 17 "Later"
- 18 Bricklayer's furnace
- 20 Jewish teacher
- 24 Sentence computer
- 26 Swirling part
- 29 Family head
- 30 Some Bach compositions
- 31 Ranch infestation?
- 32 Underway to over there
- 34 Consumer
- 36 French clergyman
- 39 Bassoon, basically
- 40 Was overrun
- 42 Yeast, fruit and nuts?
- 44 The Gift of the Mag? feature
- 48 Monster in the Strail of Moses
- 50 Scottish landowners
- 51 Thrash: Prefix
- 52 — cloud mine?
- 54 One of Henry VIII's six
- 58 Flirt with, maybe
- 59 Less snore
- 61 "Wozzeck" and "Jenufa"
- 62 St. Patrick's home
- 63 — gratia
- 66 Land on the Rubicon
- 67 Guys
- 68 Smallpox symptom
- 69 Let go
- 70 Suffix with endo- or proto-
- 71 LFI one
- 74 Gold coins of ancient Rome
- 76 Central vein of a leaf
- 77 One of a ballroom couple
- 78 Sport — (tricklike vehicles)
- 80 O. Henry Award-winning author Tillie
- 82 Whiplash precursor
- 83 Flawlessly
- 84 English poet
- 85 Cuss (out)
- 87 Marmots and
- 89 Savers by profession
- 94 Had too much of
- 95 "What —" short?
- 96 Swiftly
- 97 Deep, unsteady sleep
- 100 Jean Renoir film heroine
- 101 Basis
- 102 — Reader (edictic magazine)
- 103 Great, in slang
- 104 Dwindle
- 106 Rosin subject
- 107 Singer Adams
- 110 Basketball Hall-of-Famer Holman
- 111 Down
- 114 Aim
- 112 Somewhat exotic meat
- 113 Abbr. after a general's name, maybe



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Solution to Puzzle of Jan. 17-18



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MEN'S FASHION / A SPECIAL REPORT

Tailoring and Sportswear Merge to Make the Classic Cool

By Suzy Menkes

PARIS — When Yohji Yamamoto sent out his entire fall menswear collection worn by women friends — albeit mostly androgynous types like the beanie-wearing former model Ines de la Fressange and the skinnier actress Charlotte Rampling — it marked a fashion moment.

After years of gender bending and role reversal, fashion seems to have reached a balance between the sexes that may be easier to achieve in the wardrobe than in the workplace.

Now men can wear fluffy sweaters and velvet suits as nonchalantly as women can don male tailoring. And with nothing less to prove about how outrageous men's clothes could be, the French fall shows, which run through the weekend, are about discreet luxury and a return to traditional tailoring values as seen through a prism of modern sportswear.

For new generation designers, it is now cool to be classic — providing that the eternal male wardrobe has absorbed evolutionary fashion changes in fabric and case. The result? A revival of tailoring that incorporates the sportswear revolution and the overwhelming "casualization" of fashion. Read comfort fabrics, a super-light construction and athletic details.

Paul Smith, once a streetwear designer, continued his love affair with the aristocracy that he began last season. Smith grabbed from milord's dressing room the glen checked suit, swankily cut with a single vent at the back, a terracotta tweed jacket and a pair of shrimp-pink cords, a chalk striped city suit and an embroidered velvet evening vest.

Those elements were mixed together to give an incoherent touch to the classics and to create from the traditional a modern-romantic wardrobe. Although the first, courtified part of the show, with its leafy backdrop, bird-embroidered vests and Duke of Windsor-style tailoring was the strongest, the urban velvet suits and short fitted coats were stylish.

But Smith insisted that seeing the show was only the half of it.

"You have to look inside!" he said, referring to the handmade shirts, the hand-stitched purple silk lining to a black velvet jacket and the ribbon of crimson velvet inside the waistband of Prince of Wales pants — old-style tailoring details that are now cherished.

In his own-hand-man fashion, Thierry Mugler was also on the English gentleman tack, giving traditional men's suittings a witty spin by using dog-tooth check and herring-bone for sweaters; gray flannel boots completed the total look. Touchy, feely fabrics like chenille,



From left, Yohji Yamamoto's big coat and loose tailoring worn by the former model Ines de la Fressange; Hermes's sporty zippered cashmere cardigan with contrast color and flecked sweater with tailored pants, and Paul Smith's mismatched check suit and bird-embroidered velvet vest.

and boiled Shetland softened Mugler's military cut, and moved the line forward in a strong show.

To prove that young designers are into tailoring, the Transylvanian Udo Edling opened his show Friday of sleek modern suits with tailoring patterns drawn on the bodies of his models.

Jackets made out of the canvas toile or just a pair of gray flannel lapels. Dirk Schoenberger from Cologne gave the traditional a twist by making tailored cargo pants with open pockets and putting thick knits over jackets.

Men's fashion is now about not statements but details — hence Hermes encapsulating discreet luxury by using its legendary silk prints just on the underside of a pocket flap on a sweeping high-waisted coat. Everything in this show was ultra-subtle, from the symphony of grays lighted with a flash of sky blue, primrose yellow or spring green, through the sportswear details: the crisscross underarm gusset on jackets, the leather toggle on the zipper of a cashmere cardigan and the glazed-kid sneakers.

The designer Veronique Nichean played gracefully with Hermes signatures like butter-soft leather, and if the parade seemed whisper quiet, it was also ultra-classy.

At Lanvin, Dominique Morlotti was also into discretion, adding only colors like wine-dreg red and bruised-plum to his palette of grays, chocolate to tobacco browns and beiges — although variety came with interesting textures from felted wools and alpaca through tough leathers and padded cottons. Since modern fashion is in the mix, Lanvin caught

that in gray parka matching the suit underneath as though sport and city had melded into one look. Morlotti is strong on outerwear, especially well-proportioned short, sporty coats and the occasional sweep of long.

Just when you thought that the short topcoat, from car coat to knee length, was the height of fashion, the fall collections are coming up with a challenge. At Issey Miyake, the designer Naoki Takizawa gave long coats his best shot, making them modernist in silhouette, glazed cotton, as soft as jerseys when

the fabrics were washed in an alkaline solution, or luxurious in cashmere, with funnel necklines. They also came as beige scarf coats with fringing at neck and hem. Those neutral colors in inventive fabrics contrasted with the eye-popping batik prints that opened the show, but worked only when the pattern was reduced to faded dots on a shirt.

Joe Casely-Hayford showed a collection as if, in the British designer's words, a "hidden camera" had filmed tough guys in a public housing project. If you forgot the knickers (especially in fluffy mohair) and the low-slung pants with flopping front flaps, there were strong tailored pieces. The designer saw double, putting a short sleeved sweater over a long version and using the double shirt as a signature. Casely-Hayford also endorsed the zippered cardigan that is becoming the alternative jacket of the new fall season.

The absence of color, with a predominance of gray, is putting designers with a strong palette out on a limb. Christophe Lemaire handed color well for his close-to-the-body, French school-boy silhouette, playing with boncaux and purple for a felt coat and its scarf. When you think of the subtle of Claude Montana's past palette with its tender gradations of tone, his colors seemed out of sync not just with current fashion, but also with his own aesthetic. He showed orange mohair coats, a brown sweater lined with a pattern of glowing flames and striped or window-pane checked suits in red and orange, although there were a few marginally quieter pieces in beige dog-tooth checks with the new softer shoulder and rounded neckline. And the designer was defiant about his get-out-your-sunglasses colors.

"It's time to wake up with color," Montana said.

Ignore the women models and Yamamoto's show was still appealing. Taking a generous silhouette, he created long coats and his signature square-cut suits, but gave them a spine of over-stitching at the back to emphasize the straight cut. Tailors' bustling stitches were used as random decoration.

Modern romantic was also the story in this collection, spelled out in the tactile fabrics, including the furry collars on coats, fleecy jersey jackets, clotched-cream or khaki cottons and damask-woven pattern.

But why those women, of different ages and types, to show the clothes?

"I started by thinking about who is my customer," the designer said backstage. "My customers are not businessmen and I know that many women wear my men's clothes — and it seemed very normal."

SUZY MENKES is fashion editor of the International Herald Tribune.

That Indefinable Air Of French Male Chic

By Rebecca Voight

PARIS — Haughty and ootiously self-critical, Frenchmen have a love-hate relationship with clothes and they are proud of it. While the English celebrate eccentricity, Italians radiate proud sensuality, and Americans are a clean-cut team, the French manage to be both in and beyond fashion.

Jean Paul Gaultier may put men in skirts, but he's never without his classic blue and white stripe French sailor's sweater. And the chain-smoking characters dressed down in minimalist dark suits and skinny gray sweaters at a Paris gallery opening today wouldn't look out of place in one of Francois Truffaut's New Wave classics.

"I come from a country where nobody dresses up, not even to go to the theater, so France impresses me," said Mathias Vriens, editor in chief of Dutch, the European fashion magazine that is edited in Paris. "A young French boy in a bourgeois navy blue coat and boring flannel trousers can be more intriguing than someone in a pair of screaming orange pants by W<."

Fred Sanchez and Fred Bladon, the "sound illustrators" for fashion shows from Jil Sander to Calvin Klein, describe themselves as "hyperclassic." Their choice is a Gallic razor's edge edit: suits by Helmut Lang and Prada, Brooks Brothers shirts, and "Chelsea" boots from the French shoemaker Weston. This is topped with odd finds like a sky-blue scarf that Bladon recently unearthed in Old England, Paris's out-of-time purveyor of style from across the Channel.

The Paris press attaché Guillaume Chaillet wears clothes to suit his urban life on a bicycle, but he doesn't look like a New York City messenger. In khaki chinos from APC and a Saint James turtleneck, he admits he likes being

chic. "I might wear a suit, but without a tie," he adds. "The French love fashion, but they're snobby enough to know how to protect themselves from it."

Seraphin Dupellier, a journalist and director on "Paris Modes," a weekly fashion television program, thinks French designers have lost touch with Frenchmen. "The Italians and the Americans have a strong sense of marketing. They always design with a customer in mind. In France, we have such a high opinion of creativity, the idea of who will wear the clothes often gets lost."

Reviving France's men's fashion identity is a focus for Hedi Slimane, designer at Yves Saint Laurent. "It's in the shoulders," says Slimane of the classic tailoring in the new collection inspired by the period around 1969 when Saint Laurent designed the menswear himself. "I'm trying to get back to a Saint-Germain-des-Près attitude like a YSL duffle coat over a sweater."

The designer Christophe Lemaire is into the same period. He likes the rumpled chic of crooners like Serge Gainsbourg or Jacques Dutronc. "France hasn't had a clear style for the past 20 years," he laments. "Men on the street here look like traveling salesmen."

When he wants something new, Edouard Lehmann, the French photo editor who works with Mario Testino, visits the Parisian tailor Francesco Rovito, whose style hasn't budged since he made suits for Salvador Dali.

The "old is better" point of view rules in French cinema, too. The costume Olivier Beriot, who worked on Robert Altman's "Pret-a-Porter," might mix Agnes B. and secondhand clothes from Paris's Guerrisold for a film set in modern France.

In real life, the actor and documentary director Nils Tavernier goes for "non-stop jackets — the kind you can wear with anything." Tavernier says he is sensitive to clothes, but admits his own



Christophe Lemaire's take on French chic with a pin-stripe suit.

wardrobe is a limited mix of sneakers, hiker jackets and pieces from old films. "I used to get dressed at the flea market for 20 francs," says the comic actor Elie Semoun. "I've been a mix of zazzou, ska and punk, but I've never been out of a suit."

The interior designer Jean-Louis Riccardi, currently renovating Paris's Crillon, says the French can be the worst-dressed men in the world. "Change is not a way of life for the French, that's their weakness, but also their strength," he says. "It's a tradition he feels at home with. 'I like strict clothes,'" he adds, "My ideal is the priesthood."

The architect Christian Biecher agrees. "French style at its best is the art of turning your back on fashion."

REBECCA VOIGHT is a freelance journalist based in Paris.

Dusting Off the British Classics Venerable Brands Go Modern With Help From U.S.

By Roger Tredre

LONDON — They never show on the runways. The fashion revolution of the 1980s passed them by. Their sales, led by classic English men's tailoring and coats, have ticked over pleasantly but unspectacularly.

It has been a long slumber, but British classic clothing companies are waking up at last.

The most venerable brands in Britain — Burberry's, Austin Reed, Alfred Dunhill, Daks-Simpson, Aquascutum — want a bigger slice of the fashion action.

Austin Reed leads the charge this month with the relaunch of its 98-year-old brand. The up-to-bottom spring cleaning marks a head-on bid for a new, younger customer. The strongest sign of their intent? The tennis star Greg Rusedski has been signed up for an advertising campaign.

Next off the block will be Burberry's, which last fall head-hunted the president of Saks Fifth Avenue, Rose Marie Bravo, to lead what is being billed as the most radical overhaul in the company's history.

Bravo, who describes Burberry's as a "world-class luxury brand," is keeping her plans under wraps. But the launch of an upfront new advertising campaign next month, photographed by Mario Testino and featuring the model Stella Tennant, gives a strong hint that Burberry's, with sales of £270 million (\$432 million) last year, is heading for fashion with a capital F.

History has proved both burden and blessing to Britain's classic companies. "British companies have been clogged up by their past," said Jeremy Franks, chief executive of Daks-Simpson. "The successes of the past should be a platform for the future."

Names such as Daks-Simpson and Austin Reed are making proud play of one of their strongest selling points — men's tailoring made in Britain. Other companies which have moved away from their roots in manufacturing terms are refocusing on their Britishness. Alfred Dunhill, which appointed Hackett founder Ashley Lloyd-Jennings as creative director last summer, has launched a capsule collection titled "Made in England."

But in the modern fashion world, it is no longer enough to be simply classic. The serious global players have to offer something more: a sense of progression, of engagement with the modern fashion world.

Daks-Simpson, which was acquired by the Japanese licensee Sankyo Seiko in 1991, is expanding its sportswear offer with the launch of a chino collection for next fall.

Franks, together with other British executives, admits there are lessons to be learned from the Americans — not least from Ralph Lauren who turned British style into an American success story.

At Burberry's, Bravo is assembling a galaxy of American retailing talent. In recent weeks, she has brought in J. Stanley Tucker from Saks Fifth Avenue to run menswear, Michele Smith from Barneys to run womenswear, and Robin Marino, formerly of Donna Karan and Ralph Lauren, to run accessories.

AUSTIN Reed is also learning from the Americans. Key innovations include new lines Reed Men and Sport Reed, a move into sportswear and the bridge sector. In a lavish trade presentation last month, the company said it saw major potential in the "smart-casual" market.

The new lines mix soft construction and high-tech fabrics — a world away

from the old stiff-upper-lip Austin Reed tailoring.

The changes at Austin Reed amount to a rebranding, argued Roger Jennings, retail managing director. "We've moved away from traditional British to modern British. We're much more in line with designer brands in styling and image, but not at the same price points."

Austin Reed has also set up a fully integrated design studio, now initiating styles and fabrics rather than operating through a team of buyers.

THE American Chris Pendleton, director of merchandising and retail at Aquascutum, says the American approach to merchandising can benefit by "dusting off" the British way of doing business. Pendleton's approach at Aquascutum is less radical than the plans for Austin Reed and Burberry's. Aquascutum tested the waters with a more fashion-forward product in the mid-1990s with disappointing results. The chief executive, James Pow, subsequently left to be replaced by Jiro Tanaka. (Aquascutum was bought in 1990 by Renown, a leading Japanese manufacturer.)

The revised Aquascutum approach is described by Pendleton as "a redefining of the classic of classic clothing with the focus on coats and tailoring." Aquascutum also has plans for a high-speed advertising campaign from March to put the brand back on the fashion map.

No one is pretending these historic brands can "do a Gucci" overnight. But, at long last, as the millennium comes to a close, a start has been made.

And who knows? Maybe someday we'll see them on the runway.

ROGER TREDRE is features writer for The Observer.

At Florence Fair, Soft Natural Fabrics Define 'Minimalist Sobriety'

By Lucie Muir

FLORENCE — Just days before the swanky menswear collections in Milan, Italian apparel and accessories designers unveiled their take on fall/winter 1998-99 at the prestigious menswear show Pitti Uomo in Florence.

While Milan captured the short-term trends from top-notch designers, Pitti Uomo gave a long-term vision of menswear from 632 clothing and textile manufacturers in the medium to high-end market niche.

Over the four-day show, the focus was on

luscious fabrics, including featherlight wools, baby alpaca, slippery velvets and, above all, cashmere, which made the news on everything right down to underwear.

To get the right mood for the season's soft tailored suits think Cary Grant, Humphrey Bogart and the most dapper of English country gentlemen circa 1940. While for resilient outerwear looks in "cooked" soft-boiled wool, moleskin, thick-cut corduroy, big knits and warm tweeds, think Brad Pitt in "Seven Days in Tibet."

The great outdoors proved inspirational at Tuscan Square which launched its first men's apparel line. The designer Pino Luongo used "Casentino" wool, a boiled wool worn by Tuscan

farmers at the turn of the century, and updated it on jackets, shirts, vests and even shoes.

"The idea is to bring a little rusticity to refined styles and show that traditional fabrics can be extremely modern with the right cut and color," said Luongo. As well as the obby wools, Tuscan Square combined corduroy sports jackets with moleskin pants and loden vests. All were matched by earthy shades of olive green, clay, smoke and berry.

Staying outdoors, Canali, Hollywood's favorite suit maker, contrasted wool and cotton on sleeves and hoods in its new outerwear collection. As to the importance of next season's natural fabrics, the company's public relations

official, Elizabetha Canali, said, "The days of experimenting with technical fabrics are over. Now there's a minimalist sobriety in the shape and cut of men's clothing and, even though the fabrics may seem simple, they are extremely precious."

Marzotto, the textile and apparel giant, unveiled soft, loose-fitting corduroy jackets with a Prince of Wales check to its Principe line, while casual tweed suits and Shetland wool knits came center-stage in its trendy DVO line.

Another leading textile and clothing name, Ermenegildo Zegna, showed lightweight anoraks made with its trade mark fabric Microtène. The peach-skin hand of this natural cloth makes act-

ivevwear waterproof. Zegna was among those to deconstruct and take linings out from jackets to give minimal weights and shapes. In a work of tailored engineering, it presented the edge-cut *caban*, in a weightless wool flannel, which took shape on the body.

Understated and pricey said it all in Valentino's floor-length alpaca overcoats, Maria Sirtini's cashmere leisure suits, and Mondo Di Marco's cashmere jeans. Even ties are set to be luxurious in the finest-gauge cashmere, flannel and wool.

LUCIE MUIR is a fashion writer based in Milan.

SPORTS

Lure of TV's Big Money Could Quickly Change the Face of European Soccer

FOR YEARS I have been arguing with my European colleagues that Manchester United will someday quit playing in Britain, that Barcelona will break its ties with the Spanish league and that other top clubs will follow suit to form

soccer's version of the National Football League. My side of the argument grew stronger after the NFL recently signed a series of television contracts worth at least \$1.7 billion over the next eight years.

The day is fast approaching when the major soccer clubs in Europe—Inter Milan, Juventus, Bayern Munich—will be receiving similar offers. Do you think they're going to turn up their noses at such money?

"It will be interesting to see whether their governments will permit it," Dick Ebersol, president of NBC Sports, said from San Diego a few days before his network's telecast of the Super Bowl on Sunday.

Ebersol pointed out that European soccer is intertwined with the mightiest political forces on the Continent. American football knows few such constraints. The NFL is a commercial enterprise whose prime directive is to earn the highest possible television ratings.

But, as hard as it is to believe, European soccer is headed in that direction. It has nothing to do with copying America; it has everything to do with exploiting, and being exploited by, television.

According to European sports-marketing insiders, unofficial discussions of a Super League have already begun on the basis that such a league would gross \$2 billion annually—roughly equal to

the NFL's television income. At first the Super League clubs would maintain allegiances with their domestic leagues—Manchester United, for example, would continue to play in the English Premiership. Very quickly that would change as the Super League clubs began competing against each other, using their windfall to buy star players at every position.

If Manchester United is dominating English soccer now, imagine how things will be after a few years of heavy-duty splurging. "At what point is it no longer good entertainment for Manchester United to stay in the Premier League," asked Peter Syngilis, managing director of Prisma, one of the leading international sports-and-television mar-

keting firms, "because remember, entertainment is what drives TV?" Syngilis is one of many in his field who believes the big clubs will have to make a decision sooner rather than later. All trends seem to be leading Europe toward the conclusion formed by American long ago—for better or for worse—that sports at the most lucrative level are moving pictures entertainment, a suspenseful narrative played out by star performers, a derivation of Hollywood.

The European Court of Justice already has dynamited tradition with a ruling that has guaranteed free agency and free movement across European borders for athletes. This has invited the top clubs to begin assembling talent from every country in

In America/IAN THOMSEN

Super Bowl XXXII on Television

The Super Bowl XXXII on Jan. 25 begins at 7 p.m. EST. According to the NFL, it will be broadcast on the following countries:

Algeria: STV
Argentina: STV
Australia: STV
Austria: STV
Belgium: STV
Brazil: STV
Canada: STV
Chile: STV
Colombia: STV
Czech Republic: STV
Denmark: STV
Finland: STV
France: STV
Germany: STV
Greece: STV
Hong Kong: STV
India: STV
Indonesia: STV
Israel: STV
Italy: STV
Japan: STV
Korea: STV
Kuwait: STV
Lebanon: STV
Malaysia: STV
Mexico: STV
Morocco: STV
New Zealand: STV
Norway: STV
Oman: STV
Pakistan: STV
Peru: STV
Philippines: STV
Poland: STV
Portugal: STV
Qatar: STV
Romania: STV
Russia: STV
Saudi Arabia: STV
Singapore: STV
South Africa: STV
South Korea: STV
Spain: STV
Sri Lanka: STV
Sweden: STV
Switzerland: STV
Taiwan: STV
Thailand: STV
Turkey: STV
Ukraine: STV
United Arab Emirates: STV
United Kingdom: STV
United States: STV
Uruguay: STV
Venezuela: STV
Yemen: STV
Zimbabwe: STV

Penguins Stymie Devils With Barrasso's 24 Saves

Reuter
Tom Barrasso made 11 of his 24 saves in the third period, helping the Pittsburgh Penguins hold on for a 3-2 victory over the New Jersey Devils.

Jaromir Jagr and Stu Barnes each had a goal and an assist, and Kevin Hatcher also scored for Pittsburgh, which has won the last two meetings after losing five straight to New Jersey.

Barrasso came up with several spectacular stops in the final period Thursday night after the host Devils closed to within one goal after Scott Niedermayer scored with 12:13 remaining.

Maple Leafs 3, Blackhawks 0
In Chicago, Felix Potvin stopped 23 shots for his second consecutive shutout, and Mats Sundin had a goal and an assist to lead the Toronto Maple Leafs past the Blackhawks.

Blues 3, Islanders 3
In St. Louis, Zigmund Palffy scored the tying goal on a stellar individual effort with 1:51 remaining as New York Rangers salvaged a draw with the Blues.

Power-play goal, and Garth Snow made 31 saves to lead Philadelphia over the host Rangers, despite Pat LaFontaine's 1,000th NHL point. LeClair also had an assist, his 299th point as a Flyer.

Blues 3, Islanders 3
In St. Louis, Zigmund Palffy scored the tying goal on a stellar individual effort with 1:51 remaining as New York Rangers salvaged a draw with the Blues.

SCOREBOARD

ICE HOCKEY

NHL STANDINGS

Atlantic	North	West	Central	South
Florida 15	Washington 15	St. Louis 15	Chicago 15	San Jose 15
Philadelphia 14	NY Rangers 14	St. Louis 14	Chicago 14	San Jose 14
Washington 13	NY Islanders 13	St. Louis 13	Chicago 13	San Jose 13
NY Islanders 12	NY Rangers 12	St. Louis 12	Chicago 12	San Jose 12

NBA STANDINGS

Atlantic	North	West	Central	South
Philadelphia 15	Washington 15	St. Louis 15	Chicago 15	San Jose 15
Philadelphia 14	NY Rangers 14	St. Louis 14	Chicago 14	San Jose 14
Washington 13	NY Islanders 13	St. Louis 13	Chicago 13	San Jose 13
NY Islanders 12	NY Rangers 12	St. Louis 12	Chicago 12	San Jose 12

EUROLEAGUE

Group A	Group B	Group C	Group D
Barcelona 15	Real Madrid 15	Bayern Munich 15	Inter Milan 15
Barcelona 14	Real Madrid 14	Bayern Munich 14	Inter Milan 14
Barcelona 13	Real Madrid 13	Bayern Munich 13	Inter Milan 13
Barcelona 12	Real Madrid 12	Bayern Munich 12	Inter Milan 12

TENNIS

Men's Singles	Women's Singles
Andre Agassi 15	Steffi Graf 15
Andre Agassi 14	Steffi Graf 14
Andre Agassi 13	Steffi Graf 13
Andre Agassi 12	Steffi Graf 12

THE WEEK AHEAD

Saturday, Jan. 24	Sunday, Jan. 25
Baseball 15	Baseball 15
Baseball 14	Baseball 14
Baseball 13	Baseball 13
Baseball 12	Baseball 12

CRICKET

Test Match	One Day Match
India vs. Australia 15	India vs. Australia 15
India vs. Australia 14	India vs. Australia 14
India vs. Australia 13	India vs. Australia 13
India vs. Australia 12	India vs. Australia 12

WORLD CUP

Group A	Group B	Group C	Group D
France 15	Germany 15	Italy 15	Spain 15
France 14	Germany 14	Italy 14	Spain 14
France 13	Germany 13	Italy 13	Spain 13
France 12	Germany 12	Italy 12	Spain 12

WORLD CUP

Group A	Group B	Group C	Group D
France 15	Germany 15	Italy 15	Spain 15
France 14	Germany 14	Italy 14	Spain 14
France 13	Germany 13	Italy 13	Spain 13
France 12	Germany 12	Italy 12	Spain 12

BASKETBALL

Atlantic	North	West	Central	South
Philadelphia 15	Washington 15	St. Louis 15	Chicago 15	San Jose 15
Philadelphia 14	NY Rangers 14	St. Louis 14	Chicago 14	San Jose 14
Washington 13	NY Islanders 13	St. Louis 13	Chicago 13	San Jose 13
NY Islanders 12	NY Rangers 12	St. Louis 12	Chicago 12	San Jose 12

MAJOR COLLEGE SCORES

Division I	Division II	Division III
North Carolina 15	North Carolina 15	North Carolina 15
North Carolina 14	North Carolina 14	North Carolina 14
North Carolina 13	North Carolina 13	North Carolina 13
North Carolina 12	North Carolina 12	North Carolina 12

WORLD CUP

Group A	Group B	Group C	Group D
France 15	Germany 15	Italy 15	Spain 15
France 14	Germany 14	Italy 14	Spain 14
France 13	Germany 13	Italy 13	Spain 13
France 12	Germany 12	Italy 12	Spain 12

WORLD CUP

Group A	Group B	Group C	Group D
France 15	Germany 15	Italy 15	Spain 15
France 14	Germany 14	Italy 14	Spain 14
France 13	Germany 13	Italy 13	Spain 13
France 12	Germany 12	Italy 12	Spain 12

WORLD CUP

Group A	Group B	Group C	Group D
France 15	Germany 15	Italy 15	Spain 15
France 14	Germany 14	Italy 14	Spain 14
France 13	Germany 13	Italy 13	Spain 13
France 12	Germany 12	Italy 12	Spain 12

WORLD CUP

Group A	Group B	Group C	Group D
France 15	Germany 15	Italy 15	Spain 15
France 14	Germany 14	Italy 14	Spain 14
France 13	Germany 13	Italy 13	Spain 13
France 12	Germany 12	Italy 12	Spain 12

WORLD CUP

Group A	Group B	Group C	Group D
France 15	Germany 15	Italy 15	Spain 15
France 14	Germany 14	Italy 14	Spain 14
France 13	Germany 13	Italy 13	Spain 13
France 12	Germany 12	Italy 12	Spain 12

WORLD CUP

Group A	Group B	Group C	Group D
France 15	Germany 15	Italy 15	Spain 15
France 14	Germany 14	Italy 14	Spain 14
France 13	Germany 13	Italy 13	Spain 13
France 12	Germany 12	Italy 12	Spain 12

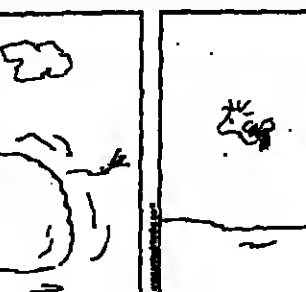
DENNIS THE MENACE



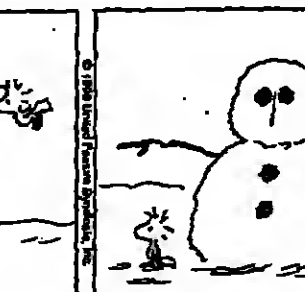
PEANUTS



GARFIELD



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DOONESBURY



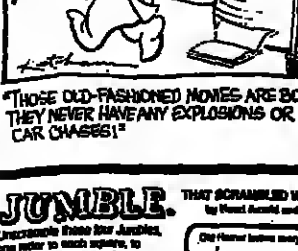
MODERN ROMANCE



EDUCATION



JUNIE BEE



BEETLE BAILEY



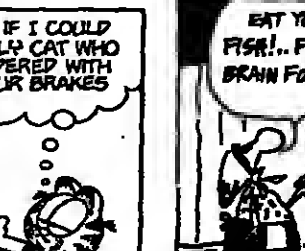
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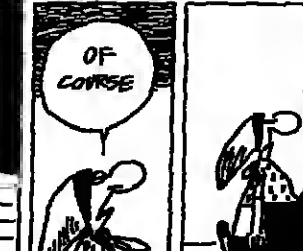
NON SEQUITUR



DOONESBURY



MODERN ROMANCE



EDUCATION



EDUCATION



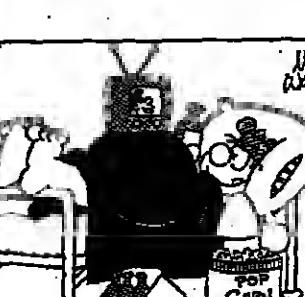
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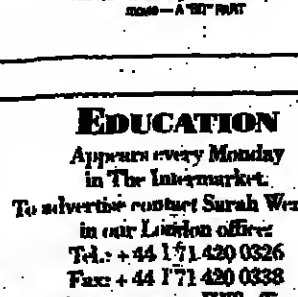
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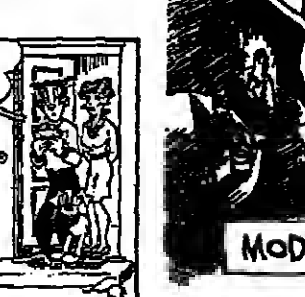
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EDUCATION



DAVE BARRY

Brassieres and Deadly Yogurt

MIAMI — Recently, one of our local TV news shows in Miami did a special investigative report on — I swear — brassiere sizes. The station promoted this report relentlessly for several days. Every few minutes you'd hear an announcer's voice saying, with an urgency appropriate for imminent nuclear attack: "ARE YOU WEARING THE WRONG BRA SIZE?"

You'd have thought that wome were dropping dead in the street by the thousands as a result of improperly sized brassieres. I was becoming genuinely concerned about this problem, despite the fact that, except on very special occasions involving schnapps, I don't even "wear" a brassiere.

Unfortunately, although I saw dozens of promotions for this special investigative report, I never saw the report itself. I assumed that the message would be: "Wear the right size brassiere!"

My editor, Tom Shroder, who has a keen interest in the issues, did watch the report, and he told me that it explored the troubling question of "women wearing brassieres that were tragically about 10 sizes too small for their breasts, which left said breasts with no other choice but to spill, tragically, out of the brassiere cups into the camera lens."

But my point here is not directly related to brassieres, although it is a lot of fun to use the word "brassiere" in a newspaper column, brassiere brassiere brassiere.

My point is that, pound for pound, the most dramatic and entertaining programming on television is your local TV news shows. Their only serious competition is the cable channel that, 24 hours a day, features the TV Evangelists With Hairdos The Size Of Adult Yaks.

If you don't receive the Big-Haired Evangelists channel, you need to march right down to your cable company and throw rocks through the windows until you get it, because these people are WAY more entertaining than any space alien you will ever see on "Star Trek."

My favorite is a woman with a gigantic mound of hair colored exactly the same designer shade as Bazooka brand bubble gum. Perhaps this fact explains why, almost every time I tune in, this woman is weeping. Her tear ducts must be as big as volleyballs. Using the standard evangelical measurement of Gallons of Weeping Per Broadcast (GWBP), this woman could very well be threatening the seemingly unbreakable records set back in the glorious '80s by Hall-of-Famer Tammy Faye Bakker.

I would pay serious money to see a Weep-Off between these two great performers.

But as entertaining as these shows

are, their message tends to be somewhat repetitive ("God loves you! So send us money!"). Whereas on your local TV news shows, they're always surprising you with dramatic new issues that you should be nervous about. Often these involve ordinary consumer items that, when subjected to the scrutiny of a TV news investigative report, mutate into deadly hazards.

A while back, one of our Miami TV news shows — I think it was different from the one that warned us about improperly fitted brassieres — did a dramatic, heavily promoted investigative report on: frozen yogurt. This report, which seemed at least as long as "Alien Resurrection," but scarier, investigated the possibility of deadly bacteria in our frozen-yogurt supply. If I understood the report correctly, there have never been any cases of any actual person actually

being harmed by local frozen yogurt, but that seemed like a minor technicality. The point was: IT COULD HAPPEN! THE YOGURT OF DEATH!!

The way I have dealt with this menace is by taking the medical precaution of never eating frozen yogurt without first putting large quantities of chocolate fudge on it, on the scientific theory that the bacteria will eat the fudge and become too fat to do anything inside my body except sit around and belch. But I would not know to do this if it were not for local TV news.

I also would not know how I am supposed to feel about many stories if not for the fact that the TV news personalities make sad faces for sad stories and happy faces for happy stories. Sometimes, to make sure I understand the point, they come right out and tell me, at the end of each story, whether it was "tragic" or "nice."

FIRST PERSONALITY: What a tragic story, Bob.

SECOND PERSONALITY: Uh... no, it wasn't.

FIRST PERSONALITY: It wasn't?

SECOND PERSONALITY: No.

That was the story about dogs playing mah-jongg.

FIRST PERSONALITY: Whoops! I had it confused with the story about the plane crashing into the orphanage! Ha ha!

SECOND PERSONALITY: Ha ha!

Coming up, we'll have part four of our special investigative report: "Formica: Silent Killer In Your Kitchen."

Well, I see we're out of time, so that's all for this week's column. Remember to be nervous about everything.

And oow for these words: brassiere brassiere brassiere.

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Diva Joan Sutherland Takes Wing Again

By Anthony Tommasini
New York Times Service

NEW YORK — During a career of more than 40 years, Dame Joan Sutherland traveled constantly. It took a toll on her peace of mind, on her family life, even on her troublesome knees, weakened by the countless times that, as mad Lucia, sleepwalking Amina and the other distraught heroines, she had to collapse onstage and die.

So it takes a lot to lure the legendary soprano, now 71, from retirement in southern Switzerland. But a request from an old friend she could not refuse and professional obligations of an entirely new type brought Dame Joan to Manhattan. Last week, to help Marilyn Horne, her sidekick from the bel canto opera circuit, Dame Joan participated in the events for the fifth anniversary of the Marilyn Horne Foundation, which provides recital opportunities for young singers. Dame Joan joined Horne for a panel discussion, offered a master class at the Juilliard Theatre and made a guest appearance at the annual gala benefit at Carnegie Hall.

Sutherland has also been promoting her book, "The Autobiography of Joan Sutherland: A Prima Donna's Progress," which has just been released in the United States by Regency Publishers. (It is already available in Europe and Australia.)

During an interview last week at the East Side club where she prefers to stay when in New York, Dame Joan insisted that she wrote the book herself, which, given its unadorned prose, is easy to believe. "I'm not a writer, let's face it," she said. "Perhaps the book is a bit schoolgirlish, like an English class composition." The story was largely assembled from what Dame Joan calls her "agendas," logs and scrapbooks of her career that go back to 1946, her first year as a contract singer with Royal Opera House at Covent Garden in London. "My only idea was to give younger singers insight into what a career involves besides singing," she said.

That, for sure, she accomplished. The book is a virtual catalogue of lessons taken, auditions attempted, roles learned, performances sung, ovations received and trips endured. Indeed, as much space is devoted to costume fittings as to her coyness with her husband, the conductor Richard Bonynge.

Yet the step-by-step account is, in a way, the point. "I wanted singers to understand how gradual my development was," she said. "Musical training today is much better than it was in my time. But the technical side — breath support, projection, the ability to sustain a legato line — this is lacking."

As an example of her own caution, Dame Joan pointed to the celebrated production of Bellini's "Norma" at Covent Garden in 1952.

Maria Callas sang the title role; she sang a minor one, Clotilde, Norma's attendant. "I lusted to sing Norma after being in those performances with Callas," she said. "But I knew that I could not sing it the way she did. It was 10 years before I sang the role. During that time, I studied it, sang bits of it, and worked with Richard. But I had to evolve my own way to sing it, and I would have wrecked my voice to ribbons had I tried to sing it like her."

Some critics in Europe have faulted the book for its



Dame Joan tests soprano Sonia Nicolai's breath control.

heavy inclusion of reviews. But Dame Joan thought this essential. "I can't say how I sang," she said. "I needed someone who was there, who was literate."

Some startling stories do leap from her account: her bouts with chronic sinus trouble that finally necessitated delicate surgery, smack in the middle of her breakthrough performances in the 1959 Franco Zeffirelli production of "Lucia di Lammermoor" at Covent Garden, where the opera had not been presented in 34 years; the death of her mother when Dame Joan was about to make her much-anticipated Metropolitan Opera debut as Lucia, a date she kept despite the loss.

She reveals a self-deprecating humor, as when describing her square-framed, imposing physique, which, given the relative proportions of her modest bust and large rib cage, made her feel, in many costumes, "like a large column walking about the stage."

And there are some amusing accounts of diva spats. In early 1963, she was scheduled to do a joint radio interview with Birgit Nilsson for a Metropolitan Opera broadcast. Delayed in Washington by bad weather, she arrived late and exhausted, so she pulled out of a dinner party at Nilsson's apartment.

"Birgit was quite annoyed, since she had gone to a lot of trouble making Swedish meatballs and other goodies to eat for some years,"

Two months later, when Nilsson was asked in an interview whether Dame Joan's hair, which she wore at the time in a bouffant puff, was real, Nilsson replied, "I don't know, I haven't pulled it yet."

The tone of the book, many critics have said, is emotionally cool. What did she feel about the painful losses in her life: the sudden death of her father on her sixth birthday, or the suicide of her troubled

sister? "These things were sent to try us," she said. "One had to cope, life goes on, we have to change, and there we are."

What also comes through, though it is not news, is the central role played in her career by Bonynge. The marriage of the prima donna, who loves oedlepoint and gardening, and the conductor, with his elegant manners and flair for fashion, may seem curious. But this is clearly a devoted partnership.

Bonynge was not just her primary repertory coach, who shifted her direction from the heavier roles of Verdi and Wagner, which she had been groomed for, to the bel canto coloratura roles that had languished until Callas championed them; he was also, in effect, her manager, caretaker, travel guide. He even tended to the decorating of their houses. "Rick was responsible for my longevity as a singer," she said in the interview. "He taught me so much, made me work, helped me interpret, and he wouldn't stand any nonsense."

In recent years, she and Bonynge have presented master classes together, which she much prefers to working alone. The day before the class at Juilliard, she was almost dreading it. "I don't really see the point of these so-called master classes," she said. "You talk to students for half an hour; hear them sing an aria, make some comments, and then go away and leave them. You don't want to interfere in so short a time with what their teachers might be doing. But I'm a technique nut, and if I hear something that could be improved, it's hard for me to let it go."

Despite her reservations, when the time came Dame Joan did "interfere," and often with frankness. The first student, Sonia Nicolai, a 27-year-old soprano, sang "Regnava nel silenzio," Lucia's Act I aria. Though the voice was bright and clear, Dame Joan said that the sound Nicolai was making was not all it could be. "Lots of breath is escaping from your sound," she said, as she placed her hand firmly on Nicolai's upper abdomen to check out how the young soprano uses her diaphragm for support.

She was also not happy with the way Nicolai delivered the text. "You enunciate each syllable, but it chops up the line," Dame Joan said. "Now, I was always criticized for my poor diction. And in certain cases I suppose I distorted the vowel sounds in order to have a smooth legato." But, she added, "I did make a warm sound," a statement that prompted the audience to applaud.

The next night, at the Marilyn Horne gala, Dame Joan's arrival onstage was greeted by a five-minute, standing ovation. No doubt, what made the audience remember how much they missed her was a videotape of Dame Joan and Horne in a concert performance of the duet from "Norma," which was shown before Dame Joan appeared. Here was a vivid demonstration of the principles she had espoused in the master class: rich, full sound, even for the ornaments and coloratura passage work; long-lined legato phrasing; nuance and subtlety. And vocal charisma, which is something that cannot be taught.

The "sheer exultation of singing," Dame Joan said in the interview, is what kept her going: "The ability to deliver that sound and beautiful music to an audience was very exciting. I miss it." But, she added, "I don't miss the travel."

PEOPLE

OVERRULING a previous verdict, an appeals court in Milan cleared top Italian fashion designers from corruption charges related to a 1990 case, news reports said Friday. Among those who had their convictions overturned were Gianfranco Ferré, Krizia and Santo Versace, the late Gianni Versace's brother. The designers, along with some business executives, had been found guilty of bribing government tax inspectors in exchange for favorable audits and had received suspended sentences of up to two years in prison. The court said that it had found no wrongdoing and that the designers had been victims of extortion by the inspectors.

The defense lawyer Kenneth Kahn has settled his lawsuit against Oliver Stone. Kahn alleged that the producer consulted him for the movie "The People vs. Larry Flynt" but never gave him the credit or used him in the film as promised. Co-defendants in Kahn's suit included the director of the film, Milos Forman. Kahn sought unspecified damages in his lawsuit, accusing Stone of breach of contract and fraud and deceit. The terms of the settlement were not disclosed.

The Brazilian ballerina Marcia Haydee is ending her 18-month absence from the stage with two performances at the Deutsche Oper in Berlin. Haydee quit as head of the Stuttgart ballet in 1996 and retreated from the stage for a while. Now she plans to dance in a version of "La Sylphide," created by Peter Schaufuss for the Deutsche Oper in 1982. Haydee will dance in two performances, on April 18 and 25.

The new home of the Piccolo Teatro in Milan will be named after its co-founder Giorgio Strehler, who died last



READY FOR TAKEOFF — The French acrobatic duo, Samantha and Igor Iouvilova, performing at the 21st World Circus Festival being held in Paris.

month, the city's mayor said. Gabriele Albertini said the building, which will be officially inaugurated on Monday, would be called the Piccolo Teatro di Giorgio Strehler. The opening ceremony will feature the director's last work, Mozart's "Così fan tutte," which was completed by colleagues after his death on Dec. 25 at age 76.

Prince Charles cracked a rib falling from his horse last week, but he's still planning to ride in the Himalayan foothills next month, his office said. Charles fell on a steep bank while fox hunting on the north Wales border.

Canceled checks and a Christmas card from Ringo Starr are among the earthly possessions of the LSD guru Timothy Leary that will be auctioned by Christie's on Feb. 4 in New York City. The auction

house estimated Leary's tattered driver's license would go for \$600 to \$800, his 1982 passport for \$1,000 to \$1,500 and a photo of him with John Lennon and Yoko Ono for \$1,000 to \$1,500. "If Tim could see how much even little things he had were worth now, he'd have a good laugh," said Vicki Marshall, who was Leary's administrative assistant. The ashes of Leary, who died of prostate cancer in 1996, were rocketed into space last April.

Pat Conroy may be the new man in Scarlett's life. The best-selling author is negotiating with the Margaret Mitchell estate to write another sequel to "Gone With the Wind," according to published reports, which said the deal might be worth \$10 million. Conroy, who wrote "The Prince of Tides" and "The Great Santini," would be the first big-name novelist to write a "Gone With the Wind" sequel. A 1991 sequel, Alexandra Ripley's "Scarlett," sold millions of copies.

Michael Crichton admitted in court that he once turned in under his name an English paper written by the novelist George Orwell. He did it as a Harvard University student in an effort to prove that a professor was grading him fairly, the best-selling author testified in a lawsuit alleging he stole the screenplay for "Twister." The screenwriter, Stephen Kessler brought the 1996 copyright-infringement lawsuit alleging Crichton and others plagiarized a screenplay, "Catch the Wind," about tornado chasers. On cross-examination, Crichton testified that he put his name on an Orwell paper after telling another faculty member what he was doing. "I got out of it as my own," said Crichton. He said Orwell got better grades than did. "I was getting C-pluses. George Orwell got a B-minus," Crichton said.

Sonny Bono's Widow to Run for His House Seat

By Mark Z. Barabak
Los Angeles Times Service

LOS ANGELES — Mary Bono, the widow of Representative Sonny Bono, has officially declared her candidacy to succeed her husband in Congress, tipping into the contest via a news release.

"Prior to reaching this decision, I had many in-depth discussions with my family and close friends," she said in a seven-paragraph statement. "We all agreed that Sonny would have encouraged me to continue his work. I want to do that."

Bono, making her first try at public

office, is expected to have the Republican field to herself. Her studiously low-key entry into the race was unusual.

Typically, a candidate will hold a news conference in hopes of launching a campaign with a burst of publicity.

But the 36-year-old widow of the celebrity congressman, who died in a Jan. 5 skiing accident that drew international attention, hardly needs to boost her name recognition.

At the same time, by avoiding questions, the political newcomer may have sought to avert the sort of stumbles that marked her late husband's first run for federal office, an unsuccessful 1992

U.S. Senate bid in which he revealed poor grasp of issues.

A family friend who handled Mr. Bono's announcement Thursday said that she wished to duck quackery. "Those things will happen Feb. 2,"

Mark Matthews, referring to a series of appearances that Bono intends to make that day across the district, stretches from the outskirts of Rivers, California, to the Arizona border. "I qualified and prepared to do this,"

On the Democratic side, actor Richard Widmark, Pa. Walcott of the old TV set — has sent strong signals that he intends to challenge Bono.

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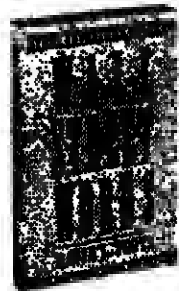
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THE MONEY REPORT

Look Down for Stocks to Grow Up

'Unrealized Value' Is the Key to Bottom-Up Investment Strategy

By Digby Lerner

FOR THE uninitiated, the idea of an investment portfolio going bottom up may sound like the aftermath of a nasty stock market crash. In fact, the bottom-up approach is the staple of professional investors worldwide.

It involves picking stocks for reasons specific to particular companies, regardless of the prospects of their sector or market. In other words, no matter how markets are performing, some stocks have more value than others.

Richard Wort, a spokesman for the Bermuda-based GAM Global Asset Management, said that several of GAM's fund managers used the bottom-up philosophy.

"For us, the whole process begins, ironically, by taking a macroeconomic view," he said. "From that, we select countries or sectors we think are worth looking at. After that, rather than taking a broad sweep of stocks, we get a locally based manager to make a bottom-up selection."

The advantage this has over some other philosophies is that it focuses the portfolio on a group of stocks with strong growth potential.

The disadvantage, especially for private investors, is the amount of time and effort needed to research individual stocks, he added. This can be done in several different ways, some methods are less arduous than others.

GAM managers meet corporate executives and tour production units of the companies in which they invest. "We avoid getting bogged down in most of the statistical material that's available," Mr. Wort said. "What we're looking for are stocks with unrealized value. Traditional value measures tend not to pick that up."

By visiting individual companies, investors get a feel for the quality of management and get a first-hand view of the products and services on offer.

"It's amazing the sort of ideas you

pick up from just touring a factory," he said. "For example, you may see a pile of rusting tubing or some raw material that suggests production is slowing."

What Mr. Wort likes most about bottom-up investing is that it can be applied to any market or sector, regardless of the prevailing investment trend.

"We've been underweight in the Far East for about the last year, but we haven't abandoned it altogether," he said. "Roughly 6 percent of our assets are now invested there, primarily in Japan. By looking for stocks that are basically sound, we can insulate ourselves from the gyrations of the market."

The largest portion of GAM funds are invested in Europe. Two of Mr. Wort's current favorites are Telecom Italia SpA, Italy's privatized telecommunications business, and the Swiss pharmaceutical company, Novartis AG, created by the merger of Sandoz and Ciba-Geigy in 1996.



"The Italian market, especially, seems to be throwing up a number of good value stocks at the moment," he said.

For investors with neither the time or expertise to build close relationships with corporate executives, there are alternative bottom-up methods.

Jayesh Manek, chief executive officer of Manek Investment in Britain, uses standard value measures to make bottom-up selections. His aim is to invest in businesses that will outperform their market average over the medium and long term.

"You can't get it right all the time, but if 60 percent of our stocks perform well we can still do better than average," he said. He added that bottom-up portfolios tend to concentrate on a smaller number of stocks than those taking a broad view of a market or sector.

"On a bottom-up basis, your 100th stock is rarely as strong as your first, so we stick to around 30 or 40," he said.

The figures he uses to make selections are readily available. The initial selection is made on the basis of earnings growth.

"We look for a history of between

three to five years of above earnings growth," Mr. Manek said. "On top of that, we want to see projections for the same level of performance over the next couple of years."

This is compared to the firm's average price-to-earnings ratio over the same period. The lower the P/E ratio, the better growth potential it is thought to have.

"None of these factors is much use in isolation and we like to see a P/E figure that is lower than average earnings," he said. But he noted that not all his selection criteria were qualitative.

"Very often there are key factors that set a business apart from its competitors," Mr. Manek said. "We're especially interested if it has strong cash flow, that sort of thing. It helps limit any possible downside."

HIS CURRENT favorite stocks are both British. The first, JJB Sports PLC, has growth expectations of up to 40 percent over the next two years, he said.

"Its cash flow is better than its profits and its return on capital is very good," he said. "On top of that, its franchising ability is very strong."

Since picking up on the stock two years ago, its value has gone from £1.60 (\$2.70) to £5.55.

"It's hard to say how high it might go from here, but we certainly expect it to do better than the market average," Mr. Manek said.

His second choice is Anite Group PLC, which two years ago was a debt-ridden mess. Since then, it has sold off a number of unprofitable businesses and focused on its money-making software activity.

"Thanks to its restructuring," he said, "Anite has climbed from a net debt position to having a cash surplus of more than £40 million." Its stock has been rising, albeit irregularly, since November, when it touched a low of 39.5 pence. On Friday, it traded at 57 pence.

Although Mr. Manek expects to hold each stock for at least five years, he said it was important to monitor them for adverse changes.

BRIEF CASE

If a Slowdown Looms, Keep an Eye on Spin-Offs

High-Yield Analytics Inc., a Chicago investment boutique, has a handful of forthcoming U.S. spin-offs in its sights. With pressure on American corporate profits from an expected slowing of the U.S. economy and the financial crisis in Asia, spin-offs offer investors the possibility of returns in excess of the market, the firm said.

Spin-offs, companies that are cut loose from their parents, attracted widespread attention in the United States last year, mostly because of AT&T Corp.'s high-profile and highly profitable \$23 billion spin-off of Lucent Technologies Inc., its maker of communications equipment and software. Lucent's share price has since more than doubled.

But spin-offs are not guaranteed to be profitable.

"Each one requires careful analysis," warned Joseph Cornell, an analyst with High-Yield Analytics.

For example, investors have shunned Tricon Global Restaurants, PepsiCo Inc.'s spin-off of its Taco Bell, Kentucky Fried Chicken and Pizza Hut restaurants, because it is weighed down by \$5 billion in debt.

"That scared me," said Mr. Cornell. Tricon shares have slumped to about \$25, from their original \$32.

Prospects look better, in his view, for the approaching spin-offs from Whittman Corp., the largest Pepsi bottler in North America. It will officially sever two of its units, Midas Inc., the muffler and auto-repair concern, and Hussman International Inc., a maker of refrigerated display cases. On Jan. 30, Mr. Cornell noted that Midas is struggling, but is a "great brand" that could do better on its own, and Hussman is a leader in its industry.

But he also likes Whittman, the parent, because it will pay off half its debt with cash from the spin-offs, and, he suggested, may merge with PepsiCo's bottling business to form a separate company.

He also likes Ford Motor Co. and its soon-to-be-independent consumer finance group, Associates First Capital Corp.

"Ford you could buy right now to get the Associates' dividend," he said. Then, he predicted, if the automaker also sells off its Hertz car-rental unit, "you're getting Ford on the cheap, and they've got a ton of cash on their balance sheet and a fat dividend."

Another company on Mr. Cornell's "watch list" is Ameritech Corp., the regional Bell telephone company. If regulators decide that it must let competitors use its \$30 billion network at the same prices Ameritech pays, it may well spin it off and become strictly a marketing company, he said.

But investors should not expect instant, Lucite-like profits, he warned. The share price of a spin-off typically underperforms the overall market for three to six months, then starts to rise, assuming it has positive earnings, and Wall Street begins to follow the company.

A study of 161 spin-offs by Pennsylvania State University showed that they outperform the market by 4.5 percent in the first year, but rise to 25 percent in the second, and 31 percent the third year.

He is optimistic about its performance, too. "If we are right about stock market returns falling somewhere between mid-single digits to low double digits over the next three to five years, then the returns from market-neutral have the potential to be very competitive, with much less risk than the stock market," he said.

Still, he conceded that the key to successful market-neutral investing is carefully matching the long and short portfolios, mitigating out only market risk but also exposure to specific industries, interest-rate fluctuations and other risks.

Newsletters' New Swipe At Critic Is Off the Mark

To hear his enemies talk, one would have to conclude that Mark Hulbert, a one-time Oxford University scholar who publishes a list of the most- and least-successful investment newsletter writers, was an awful guy.

"I sued him 14 years ago," said Yale Hirsch, editor of Ground Floor, a small-stock investment newsletter. "He has made a lot of blunders but he's unfortunately been Mr. Teflon — nothing seems to stick."

"His mathematics are absurd," adds P.Q. Wall of the P.Q. Wall Forecast. Inspiring the rounds of vitriol about

Mr. Hulbert is his Hulbert Financial Digest, a monthly newsletter run out of Alexandria, Virginia, that evaluates the advice given by investment newsletter writers. He puts together hypothetical portfolios to show how well — or badly — an investor would do by following a newsletter's advice.

Mr. Hulbert's attackers have come up with the same criticisms year after year, but in learning that they were on a list of 1997's worst performers, his foes came up with a unique attack. This time, the critics in some cases gleefully proclaimed that Mr. Hulbert was so dishonest that he was under investigation by the U.S. Securities and Exchange Commission.

The SEC, as is its policy, would not confirm or deny an investigation. Asked if the SEC was investigating him, Mr. Hulbert said, "Of course not."

So what are the newsletter writers talking about? An innocuous reference to Mr. Hulbert, apparently, in one of the letters he follows.

"We have been advised not to use the performance percentages generated by The Hulbert Financial Digest," wrote Al Frank in the Sept. 2 issue of The Prudent Speculator. "The reasoning behind this SEC command is that we do not have work papers supporting said percentages."

Mr. Frank, who was using his No. 1 long-term ranking with Mr. Hulbert in his advertising, was challenged during a routine SEC inspection in a way the SEC frequently challenges registered investment advisers who advertise: Prove how you got those hypothetical gains, or don't use them in your ads.

Because Mr. Hulbert does not routinely give out information from his research, Mr. Frank could not prove to the SEC that an investor would have enjoyed the spectacular gains that Mr. Hulbert attributed to him. So in the view of those letter-writers who scorn him, Mr. Hulbert is "under investigation."

Mr. Frank said that he was incredulous that his words could have been misused this way.

"I never said he was under investigation," he said, adding that he wound up getting from Mr. Hulbert the documents that would satisfy the SEC and allow him to resume use of the ads.

(Bloomberg)

Bullish Players Feed Financial Betting Boom

Betting on the financial markets is not for the faint-hearted, but the practice is enjoying a boom, according to Michael Spencer, chairman of London's largest financial bookie, City Index.

The financial bookmaker has an estimated 10,000 risk-loving customers and betting volumes rose 30 percent last year, Mr. Spencer said.

Mr. Spencer said one of the big attractions of City Index for British gamblers was that there is no tax on profits, since they are treated as bets.

And there is no limit to the potential gain or loss that can be made, since the bookmaker trades solely through "spread betting" — or betting on a rise or fall in an index or individual security against the bookies' central price.

If a gambler stakes £10 (\$16.48) on the Financial Times-Stock Exchange index rising above a certain level and he calls the market correctly, the winnings multiply by every point the index rises. Should the index fall, losses mount in the same way.

In "fixed-odds betting," by comparison, a bettor can only ever lose the money that is staked.

"It is quite feasible for customers to win, or indeed lose, hundreds of thousands of pounds with one position, particularly in the financial markets where we've seen massive volatility recently," Mr. Spencer said.

Last month, a City Index client landed a windfall of more than £3 million after staking just £25 on the performance of the world's stock markets.

Mr. Spencer estimates that his firm has paid out about £100 million in total winnings this year.

The bulk of City Index's clients work in London's financial sector. But foreign investors also can play.

The firm offers more than 100 markets to bet on. About 70 percent of business is financial and 30 percent related to sports. City Index's main rival is the smaller, privately owned IG index.

Mr. Spencer said City Index had few institutional clients, because most of them preferred to limit their risks through more formal financial instruments, such as futures and options.

One of the strangest bets City Index has offered recently is the number of currencies likely to be included in the first wave of European economic and monetary union next year.

The time in minutes before the first throw-in of a soccer match is another off-the-wall bet that was offered. But it was withdrawn after one season because it was open to potential manipulation.

Mr. Spencer said.

But the majority of clients prefer to stake their money on future movements of the FTSE-100 or the Dow Jones industrial average.

Having established City Index in the British market, Mr. Spencer is seeking to expand the service in Asia and Australia. He has three branches in Australia, although their services are limited to sports betting.

One of Mr. Spencer's pet hopes is to develop gambling on the Internet. With this in mind, he is discussing projects with the British media company Mirror Group PLC. He sees the days of dingy betting shops as numbered.

"Why would you go to a shop," he asked, "when you can place bets by phone in the comfort of your own home?"

(Reuters)

For further information: CONTACT CITY INDEX by telephone on 020 7171 5500, or visit its Web site at www.cityindex.co.uk

In 1997, Assets Rose In French Mutual Funds

Total assets in French mutual funds rose 2.2 percent last year as investments surged into French and international stock funds.

According to the independent French mutual-fund monitoring company EuroPerformance, assets under management in mutual funds in France rose to 2,040 billion francs (\$340 billion) in 1997 from 1,997 billion francs in 1996.

The rise in stock markets around the world boosted investment in equity fund assets by 32.9 percent, to 480 billion francs. Last year, France's benchmark CAC 40 stock index rose 29.50 percent, while the U.S. Dow Jones Industrial Average rose 22.6 percent.

There was no change in assets invested in bond funds in France, at 420 billion francs, while money-market fund assets fell 11 percent, to 996 billion francs. France has the second-largest fund market in the world after the U.S.

"Performance was exceptional in 1997," Baudouin de Brie, chairman of EuroPerformance, said at a conference to present the results. "Overall, there was a wealth of activity."

Last year was the second straight year in which investment in equity funds increased.

(Bloomberg)

Citibank to Offer Japan Dollar-Based Credit Card

Citicorp Card Service Inc., a subsidiary of the U.S. lender Citibank, is planning to introduce a credit card in Japan specifically for purchases made in U.S. dollars, the first such card in the country.

Cardholders will be able to pay for dollar purchases from dollar-denominated accounts at Citibank in Japan. Citibank expects the demand for these services to grow in Japan after rules restricting foreign-currency exchange are lifted in April, giving individuals and companies more incentive to conduct transactions in currencies other than yen.

(Bloomberg)

Correction

The Money Report article in the Jan. 17 editions about international dogs of the Dow strategies contained an error in the German listings. Deutsche Telekom should have been included in place of Deutsche Bank; the performance results, however, were for the latter.

Deutsche Telekom had a total return of 4.77 percent last year, compared with a gain of 47.11 percent in the overall DAX index, which is calculated on a total-return basis.

Ulrich Holland, the reader who brought the mistake to our attention, also alerted us to an interesting name he uses for the German dogs: DAXHunde.

Fund Shuns Risk but Limits Reward

By Carole Gould

THE CONVENTIONAL wisdom is that only risk-takers can hope to win big in the investing game. But that does not stop market strategists from trying to rake in competitive returns with low risk.

One such strategy, called "market-neutral," has long been used by wealthy investors. Now, thanks to the Taxpayer Relief Act of 1997, U.S. mutual funds can do market-neutral investing. The first one to adopt the strategy is the San Francisco-based Barr Rosenberg market-neutral fund.

"It's wonderfully seductive, like sugar without the calories," said Michael Stolper, who evaluates investment managers for wealthy clients. "But it's terribly difficult to get right."

It is important for investors to remember that market-neutral investing aims to produce steady, moderate gains, not spectacular ones.

"In a bull market, a fund like this won't share in the upside at all," said Paul Pudaite, director of quantitative research for Morningstar Inc., the Chicago-based fund-tracker.

Because investors face the likelihood of heavy taxes while forfeiting high returns, market-neutral is perhaps not the holy grail after all.

Market-neutral investing, which has been around since 1949, when the first hedge fund was set up, gained favor in the late 1980s after the stock market crash of 1987. Investors looked for ways to make money whichever way the market moved, and market-neutral was one answer.

In market-neutral investing, managers invest money in stocks they believe are undervalued and then "neutralize" the risk by shorting an equal amount of stocks that they believe are overvalued — that is selling borrowed shares. The expectation is that the price will fall and the borrowed securities can be repaid with shares that cost less. The cash raised by the short sale is invested in short-term Treasury securities. Simply put, if the stock market rises, the long positions make money and the shorts lose money. When the market falls, the opposite occurs.

IN EITHER CASE, the Treasuries provide a money-market return. If the strategy works perfectly, the long stocks earn more than the shorts lose, adding to the portfolio's profit. The tricky aspect is that it all depends on stock-picking — getting the right longs and the right shorts.

The tax-law change that allowed mutual funds to adopt market-neutral investing was the repeal, effective Jan. 1, of what was known as the short-

short rule. It had prohibited funds from earning more than 30 percent of their income from short-term gains, and all short sales were deemed short-term.

In Barr Rosenberg's fund, management plans to use a computer-based model to rank the universe of small- and mid-capitalization stocks. It will buy the most attractive ones and short the least attractive. A composite of the institutional accounts it manages using similar strategies gained 17.66 percent for the three years that ended on Nov. 30, the company said, and 13.85 percent for five years.

These gains are 12 percentage points and 8 percentage points, respectively, over the yield on three-month Treasury bills.

But the spread is less than 3 percentage points for the 10 years that ended Nov. 30, when the market-neutral accounts gained 8 percent, the company said. And an 8 percent gain looks far less attractive when compared with the Standard and Poor's 500-stock index, which rose 187 percent a year on average for the 10 years through November.

Despite the reassuring name, market-neutral funds carry risks. Two fixed-income private partnerships billed as market-neutral, Granite Partners and Feenoch Partners Management, fell apart after the bond market sagged in

1994. Investor shares in the Barr Rosenberg fund carry a \$2,500 minimum investment. Fund expenses are expected to run 2.5 percent a year, not high relative to hedge-fund costs but well above the average mutual fund's expense ratio of less than 1.5 percent.

KEN GREGORY, publisher of the No-Load Fund Analyst in San Francisco, is adding substantial stakes, up to 21 percent, in the new fund to his publication's recommended portfolios. "Because the returns from market-neutral are not correlated with stocks or bonds, the investment offers powerful diversification benefits," he wrote in December.

He is optimistic about its performance, too. "If we are right about stock market returns falling somewhere between mid-single digits to low double digits over the next three to five years, then the returns from market-neutral have the potential to be very competitive, with much less risk than the stock market," he said.

Still, he conceded that the key to successful market-neutral investing is carefully matching the long and short portfolios, mitigating out only market risk but also exposure to specific industries, interest-rate fluctuations and other risks.

New York Times Service

Keebler to Brave IPO Market

KEEBLER FOODS CO. is hoping to work some of its elfin magic on investors. Keebler, the cookie company symbolized by a band of elf bakers inside a hollow tree, is expected to make an initial public offering worth up to \$275 million next week. With the new issues market feeling skittish these days, there may be nothing more reassuring than the debut of this enterprise, which is 145 years old and measures its sales in billions of dollars.

Indeed, the offering, which includes 11.5 million shares priced at \$21 to \$24 each, may be smart as well as fortunate.

Flowers Industries Inc. certainly seems to think so. Flowers, a publicly traded baked goods company in Thomasville, Georgia, is one of the three companies that bought Keebler in a leveraged buyout in 1996. The other two, Artal Luxembourg S.A. and Bernmore Ltd., are selling a portion of their shares in the offering. But Flowers will

buy enough of those shares to raise its stake in Keebler to 57 percent from the current 45 percent.

LIKE OTHER INVESTORS, Flowers may be drawn in part by the company's famed names. Millions of American consumers know such Keebler brands as Hydrox chocolate sandwich cookies, Pecan Sandies, Cheez-It and Carr crackers, and Ready Crust frozen pie crusts. The word Keebler is itself widely recognized, too.

Oreo's is a powerful name but it's associated with one product," said Mark S. Basham, a research analyst at Standard & Poor's Corp., referring to Nabisco Brands Inc.'s well-known cookie. "But the Keebler brand has universal recognition. It's not associated with a specific product."

In addition, Keebler, which had 1997 sales of \$1.54 billion through Oct. 4, is the only American cookie and cracker company besides Nabisco with its own national distribution system. This puts

Keebler employees in supermarkets several days a week, which allows them to keep close track of inventory, to identify fast — or slow — selling items and to spruce up displays. Keebler wants to capitalize on these significant advantages by expanding its distribution network to mass merchandisers and discount shopping clubs.

Theo there is Keebler's acquisitions strategy: its purchase of Sunshine Biscuits in 1996 is an example. Such takeovers allow Keebler to extend its famous name to more brands and to increase its share of the \$4 billion cookie market, where it now ranks second with 16.6 percent.

Gobbling up other cookie companies also makes fuller use of Keebler's manufacturing capacity, which is running at only 82 percent even after the Sunshine purchase. Given these idle facilities and Keebler's distribution system, such acquisitions can confer their advantages at little cost to the company.

New York Times Service

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MEN'S FASHION / A SPECIAL REPORT

Tailoring and Sportswear Merge to Make the Classic Cool

By Suzy Menkes

PARIS — When Yohji Yamamoto sent out his entire fall menswear collection worn by women friends — albeit mostly androgynous types like the beanie-wearing former model Ines de la Fressange and the skinnier actress Charlotte Rampling — it marked a fashion moment.

After years of gender bending and role reversal, fashion seems to have reached a balance between the sexes that may be easier to achieve in the wardrobe than in the workplace.

Now men can wear fluffy sweaters and velvet suits as nonchalantly as women can don male tailoring. And with nothing less to prove about how outrageous men's clothes could be, the French fall shows, which run through the weekend, are about discreet luxury and a return to traditional tailoring values as seen through a prism of modern sportswear.

For new generation designers, it is now cool to be classic — providing that the eternal male wardrobe has absorbed evolutionary fashion changes in fabric and case. The result? A revival of tailoring that incorporates the sportswear revolution and the overwhelming "casualization" of fashion. Read comfort fabrics, a super-light construction and athletic details.

Paul Smith, once a streetwear designer, continued his love affair with the aristocracy that he began last season. Smith grabbed from milord's dressing room the glen checked suit, swankily cut with a single vent at the back, a terracotta tweed jacket and a pair of shrimp-pink cords, a chalk striped city suit and an embroidered velvet evening vest.

Those elements were mixed together to give an incoherent touch to the classics and to create from the traditional a modern-romantic wardrobe. Although the first, counterfitted part of the show, with its leafy backdrop, bird-embroidered vests and Duke of Windsor-style tailoring was the strongest, the urban velvet suits and short fitted coats were stylish.

But Smith insisted that seeing the show was only the half of it.

"You have to look inside!" he said, referring to the handmade shirts, the hand-stitched purple silk lining to a black velvet jacket and the ribbon of crimson velvet inside the waistband of Prince of Wales pants — old-style tailoring details that are now cherished.

In his own-hand-man fashion, Thierry Mugler was also on the English gentleman tack, giving traditional men's suiting a witty spin by using dog-tooth check and herring-bone for sweaters; gray flannel boots completed the total look. Touchy-feely fabrics like chenille,



From left, Yohji Yamamoto's big coat and loose tailoring worn by the former model Ines de la Fressange; Hermes's sporty zippered cashmere cardigan with contrast color and flecked sweater with tailored pants, and Paul Smith's mismatched check suit and bird-embroidered velvet vest.

and boiled Shetland softened Mugler's military cut, and moved the line forward in a strong show.

To prove that young designers are into tailoring, the Transylvanian Udo Edling opened his show Friday of sleek modern suits with tailoring patterns drawn on the bodies of his models.

Jackets made out of the canvas toile or just a pair of gray flannel lapels. Dirk Schoenberger from Cologne gave the traditional a twist by making tailored cargo pants with open pockets and putting thick knits over jackets.

Men's fashion is now about not statements but details — hence Hermes encapsulating discreet luxury by using its legendary silk prints just on the underside of a pocket flap on a sweeping high-waisted coat. Everything in this show was ultra-subtle, from the symphony of grays lighted with a flash of sky blue, primrose yellow or spring green, through the sportswear details: the crisscross underarm gusset on jackets, the leather toggle on the zipper of a cashmere cardigan and the glazed-kid sneakers.

The designer Veronique Nichean played gracefully with Hermes signatures like butter-soft leather, and if the parade seemed whisper quiet, it was also ultra-classy.

At Lanvin, Dominique Morlotti was also into discretion, adding only colors like wine-dreg red and bruised-plum to his palette of grays, chocolate to tobacco browns and beiges — although variety came with interesting textures from felted wools and alpaca through tough leathers and padded cottons. Since modern fashion is in the mix, Lanvin caught

that in gray parka matching the suit underneath as though sport and city had melded into one look. Morlotti is strong on outerwear, especially well-proportioned short, sporty coats and the occasional sweep of long.

Just when you thought that the short topcoat, from car coat to knee length, was the height of fashion, the fall collections are coming up with a challenge. At Issey Miyake, the designer Naoki Takizawa gave long coats his best shot, making them modernist in silhouette, glazed cotton, as soft as jerseys when

the fabrics were washed in an alkaline solution, or luxurious in cashmere, with funnel necklines. They also came as beige scarf coats with fringing at neck and hem. Those neutral colors in inventive fabrics contrasted with the eye-popping batik prints that opened the show, but worked only when the pattern was reduced to faded dots on a shirt.

Joe Casely-Hayford showed a collection as if, in the British designer's words, a "hidden camera" had filmed tough guys in a public housing project. If you forgot the knickers (especially in fluffy mohair) and the low-slung pants with flopping front flaps, there were strong tailored pieces. The designer saw double, putting a short sleeved sweater over a long version and using the double shirt as a signature. Casely-Hayford also endorsed the zippered cardigan that is becoming the alternative jacket of the new fall season.

The absence of color, with a predominance of gray, is putting designers with a strong palette out on a limb. Christophe Lemaire handed color well for his close-to-the-body, French school-boy silhouette, playing with boncaux and purple for a felt coat and its scarf. When you think of the subtle of Claude Montana's past palette with its tender gradations of tone, his colors seemed out of sync not just with current fashion, but also with his own aesthetic. He showed orange mohair coats, a brown sweater lined with a pattern of glowing flames and striped or window-pane checked suits in red and orange, although there were a few marginally quieter pieces in beige dog-tooth checks with the new softer shoulder and rounded neckline. And the designer was defiant about his get-out-your-sunglasses colors.

"It's time to wake up with color," Montana said.

Ignore the women models and Yamamoto's show was still appealing. Taking a generous silhouette, he created long coats and his signature square-cut suits, but gave them a spine of over-stitching at the back to emphasize the straight cut. Tailors' bustling stitches were used as random decoration.

Modern romantic was also the story in this collection, spelled out in the tactile fabrics, including the furry collars on coats, fleecy jersey jackets, clot-dream or khaki cottons and damask-woven pattern.

But why those women, of different ages and types, to show the clothes?

"I started by thinking about who is my customer," the designer said backstage. "My customers are not businessmen and I know that many women wear my men's clothes — and it seemed very normal."

SUZY MENKES is fashion editor of the International Herald Tribune.

That Indefinable Air Of French Male Chic

By Rebecca Voight

PARIS — Haughty and ootiously self-critical, Frenchmen have a love-hate relationship with clothes and they are proud of it. While the English celebrate eccentricity, Italians radiate proud sensuality, and Americans are a clean-cut team, the French manage to be both in and beyond fashion.

Jean Paul Gaultier may put men in skirts, but he's never without his classic blue and white stripe French sailor's sweater. And the chain-smoking characters dressed down in minimalist dark suits and skinny gray sweaters at a Paris gallery opening today wouldn't look out of place in one of Francois Truffaut's New Wave classics.

"I come from a country where nobody dresses up, not even to go to the theater, so France impresses me," said Mathias Vriens, editor in chief of Dutch, the European fashion magazine that is edited in Paris. "A young French boy in a bourgeois navy blue coat and boring flannel trousers can be more intriguing than someone in a pair of screaming orange pants by W<."

Fred Sanchez and Fred Bladon, the "sound illustrators" for fashion shows from Jil Sander to Calvin Klein, describe themselves as "hyperclassic." Their choice is a Gallic razor's edge edit: suits by Helmut Lang and Prada, Brooks Brothers shirts, and "Chelsea" boots from the French shoemaker Weston. This is topped with odd finds like a sky-blue scarf that Bladon recently unearthed in Old England, Paris's out-of-time purveyor of style from across the Channel.

The Paris press attaché Guillaume Chaillet wears clothes to suit his urban life on a bicycle, but he doesn't look like a New York City messenger. In khaki chinos from APC and a Saint James turtleneck, he admits he likes being

chic. "I might wear a suit, but without a tie," he adds. "The French love fashion, but they're snobby enough to know how to protect themselves from it."

Seraphin Dupellier, a journalist and director on "Paris Modes," a weekly fashion television program, thinks French designers have lost touch with Frenchmen. "The Italians and the Americans have a strong sense of marketing. They always design with a customer in mind. In France, we have such a high opinion of creativity, the idea of who will wear the clothes often gets lost."

Reviving France's men's fashion identity is a focus for Hedi Slimane, designer at Yves Saint Laurent. "It's in the shoulders," says Slimane of the classic tailoring in the new collection inspired by the period around 1969 when Saint Laurent designed the menswear himself. "I'm trying to get back to a Saint-Germain-des-Près attitude like a YSL duffle coat over a sweater."

The designer Christophe Lemaire is into the same period. He likes the rumpled chic of crooners like Serge Gainsbourg or Jacques Dutronc. "France hasn't had a clear style for the past 20 years," he laments. "Men on the street here look like traveling salesmen."

When he wants something new, Edouard Lehmman, the French photo editor who works with Mario Testino, visits the Parisian tailor Francesco Rovito, whose style hasn't budged since he made suits for Salvador Dali.

The "old is better" point of view rules in French cinema, too. The costume designer Olivier Beriot, who worked on Robert Altman's "Pret-a-Porter," might mix Agnes B. and secondhand clothes from Paris's Guerrisold for a film set in modern France.

In real life, the actor and documentary director Nils Tavernier goes for "non-stop jackets — the kind you can wear with anything." Tavernier says he is sensitive to clothes, but admits his own



Christophe Lemaire's take on French chic with a pin-stripe suit.

wardrobe is a limited mix of sneakers, hiker jackets and pieces from old films. "I used to get dressed at the flea market for 20 francs," says the comic actor Elie Semoun. "I've been a mix of zazzou, ska and punk, but I've never been out of a suit."

The interior designer Jean-Louis Riccardi, currently renovating Paris's Crillon, says the French can be the worst-dressed men in the world. "Change is not a way of life for the French, that's their weakness, but also their strength," he says. "It's a tradition he feels at home with. 'I like strict clothes,'" he adds, "My ideal is the priesthood."

The architect Christian Biecher agrees. "French style at its best is the art of turning your back on fashion."

REBECCA VOIGHT is a freelance journalist based in Paris.

Dusting Off the British Classics Venerable Brands Go Modern With Help From U.S.

By Roger Tredre

LONDON — They never show on the runways. The fashion revolution of the 1980s passed them by. Their sales, led by classic English men's tailoring and coats, have ticked over pleasantly but unspectacularly.

It has been a long slumber, but British classic clothing companies are waking up at last.

The most venerable brands in Britain — Burberrys, Austin Reed, Alfred Dunhill, Daks-Simpson, Aquascutum — want a bigger slice of the fashion action.

Austin Reed leads the charge this month with the relaunch of its 98-year-old brand. The up-to-bottom spring cleaning marks a head-on bid for a new, younger customer. The strongest sign of their intent? The tennis star Greg Rusedski has been signed up for an advertising campaign.

Next off the block will be Burberrys, which last fall head-hunted the president of Saks Fifth Avenue, Rose Marie Bravo, to lead what is being billed as the most radical overhaul in the company's history.

Bravo, who describes Burberrys as a "world-class luxury brand," is keeping her plans under wraps. But the launch of an upfront new advertising campaign next month, photographed by Mario Testino and featuring the model Stella Tennant, gives a strong hint that Burberrys, with sales of £270 million (\$432 million) last year, is heading for fashion with a capital F.

History has proved both burden and blessing to Britain's classic companies. "British companies have been clogged up by their past," said Jeremy Franks, chief executive of Daks-Simpson. "The successes of the past should be a platform for the future."

Names such as Daks-Simpson and Austin Reed are making proud play of one of their strongest selling points — men's tailoring made in Britain. Other companies which have moved away from their roots in manufacturing terms are refocusing on their Britishness. Alfred Dunhill, which appointed Hackett founder Ashley Lloyd-Jennings as creative director last summer, has launched a capsule collection titled "Made in England."

But in the modern fashion world, it is no longer enough to be simply classic. The serious global players have to offer something more: a sense of progression, of engagement with the modern fashion world.

Daks-Simpson, which was acquired by the Japanese licensee Sankyo Seiko in 1991, is expanding its sportswear offer with the launch of a chino collection for next fall.

Franks, together with other British executives, admits there are lessons to be learned from the Americans — not least from Ralph Lauren who turned British style into an American success story.

At Burberrys, Bravo is assembling a galaxy of American retailing talent. In recent weeks, she has brought in J. Stanley Tucker from Saks Fifth Avenue to run menswear, Michele Smith from Barneys to run womenswear, and Robin Marino, formerly of Donna Karan and Ralph Lauren, to run accessories.

AUSTIN Reed is also learning from the Americans. Key innovations include new lines Reed Men and Sport Reed, a move into sportswear and the bridge sector. In a lavish trade presentation last month, the company said it saw major potential in the "smart-casual" market.

The new lines mix soft construction and high-tech fabrics — a world away

from the old stiff-upper-lip Austin Reed tailoring.

The changes at Austin Reed amount to a rebranding, argued Roger Jennings, retail managing director. "We've moved away from traditional British to modern British. We're much more in line with designer brands in styling and image, but not at the same price points."

Austin Reed has also set up a fully integrated design studio, now initiating styles and fabrics rather than operating through a team of buyers.

THE American Chris Pendleton, director of merchandising and retail at Aquascutum, says the American approach to merchandising can benefit by "dusting off" the British way of doing business.

Pendleton's approach at Aquascutum is less radical than the plans for Austin Reed and Burberrys. Aquascutum tested the waters with a more fashion-forward product in the mid-1990s with disappointing results. The chief executive, James Pow, subsequently left to be replaced by Jiro Tanaka. (Aquascutum was bought in 1990 by Renown, a leading Japanese manufacturer.)

The revised Aquascutum approach is described by Pendleton as "a redefining of the classic of classic clothing with the focus on coats and tailoring." Aquascutum also has plans for a high-speed advertising campaign from March to put the brand back on the fashion map.

No one is pretending these historic brands can "do a Gucci" overnight. But, at long last, as the millennium comes to a close, a start has been made.

And who knows? Maybe someday we'll see them on the runway.

ROGER TREDRE is features writer for The Observer.

At Florence Fair, Soft Natural Fabrics Define 'Minimalist Sobriety'

By Lucie Muir

FLORENCE — Just days before the swanky menswear collections in Milan, Italian apparel and accessories designers unveiled their take on fall/winter 1998-99 at the prestigious menswear show Pitti Uomo in Florence.

While Milan captured the short-term trends from top-notch designers, Pitti Uomo gave a long-term vision of menswear from 632 clothing and textile manufacturers in the medium to high-end market niche.

Over the four-day show, the focus was on

luscious fabrics, including featherlight wools, baby alpaca, slippery velvets and, above all, cashmere, which made the news on everything right down to underwear.

To get the right mood for the season's soft tailored suits think Cary Grant, Humphrey Bogart and the most dapper of English country gentlemen circa 1940. While for resilient outerwear looks in "cooked" soft-boiled wool, moleskin, thick-cut corduroy, big knits and warm tweeds, think Brad Pitt in "Seven Days in Tibet."

The great outdoors proved inspirational at Tuscan Square which launched its first men's apparel line. The designer Pino Luongo used "Casentino" wool, a boiled wool worn by Tuscan

farmers at the turn of the century, and updated it on jackets, shirts, vests and even shoes.

"The idea is to bring a little rusticity to refined styles and show that traditional fabrics can be extremely modern with the right cut and color," said Luongo. As well as the obby wools, Tuscan Square combined corduroy sports jackets with moleskin pants and loden vests. All were matched by earthy shades of olive green, clay, smoke and berry.

Staying outdoors, Canali, Hollywood's favorite suit maker, contrasted wool and cotton on sleeves and hoods in its new outerwear collection. As to the importance of next season's natural fabrics, the company's public relations

official, Elizabetha Canali, said, "The days of experimenting with technical fabrics are over. Now there's a minimalist sobriety in the shape and cut of men's clothing and, even though the fabrics may seem simple, they are extremely precious."

Marzotto, the textile and apparel giant, unveiled soft, loose-fitting corduroy jackets with a Prince of Wales check to its Principe line, while casual tweed suits and Shetland wool knits came center-stage in its trendy DVO line.

Another leading textile and clothing name, Ermenegildo Zegna, showed lightweight anoraks made with its trade mark fabric Microtène. The peach-skin hand of this natural cloth makes act-

ivevwear waterproof. Zegna was among those to deconstruct and take linings out from jackets to give minimal weights and shapes. In a work of tailored engineering, it presented the edge-cut *caban*, in a weightless wool flannel, which took shape on the body.

Understated and pricey said it all in Valentino's floor-length alpaca overcoats, Maria Sirtini's cashmere leisure suits, and Mondo Di Marco's cashmere jeans. Even ties are set to be luxurious in the finest-gauge cashmere, flannel and wool.

LUCIE MUIR is a fashion writer based in Milan.

SPORTS

Lure of TV's Big Money Could Quickly Change the Face of European Soccer

FOR YEARS I have been arguing with my European colleagues that Manchester United will someday quit playing in Britain, that Barcelona will break its ties with the Spanish league and that other top clubs will follow suit to form

soccer's version of the National Football League. My side of the argument grew stronger after the NFL recently signed a series of television contracts worth at least \$1.7 billion over the next eight years.

The day is fast approaching when the major soccer clubs in Europe—Inter Milan, Juventus, Bayern Munich—will be receiving similar offers. Do you think they're going to turn up their noses at such money?

"It will be interesting to see whether their governments will permit it," Dick Ebersol, president of NBC Sports, said from San Diego a few days before his network's telecast of the Super Bowl on Sunday.

Ebersol pointed out that European soccer is intertwined with the mightiest political forces on the Continent. American football knows few such constraints. The NFL is a commercial enterprise whose prime directive is to earn the highest possible television ratings.

But, as hard as it is to believe, European soccer is headed in that direction. It has nothing to do with copying America; it has everything to do with exploiting, and being exploited by, television.

According to European sports-marketing insiders, unofficial discussions of a Super League have already begun on the basis that such a league would gross \$2 billion annually—roughly equal to

the NFL's television income. At first the Super League clubs would maintain allegiances with their domestic leagues—Manchester United, for example, would continue to play in the English Premiership. Very quickly that would change as the Super League clubs began competing against each other, using their windfall to buy star players at every position.

If Manchester United is dominating English soccer now, imagine how things will be after a few years of heavy-duty splurging. "At what point is it no longer good entertainment for Manchester United to stay in the Premier League," asked Peter Syrogi, managing director of Prisma, one of the leading international sports-and-television mar-

keting firms, "because remember, entertainment is what drives TV?" Syrogi is one of many in his field who believes the big clubs will have to make a decision sooner rather than later. All trends seem to be leading Europe toward the conclusion formed by American long ago—for better or for worse—that sports at the most lucrative level are moving pictures entertainment, a suspenseful narrative played out by star performers, a derivation of Hollywood.

The European Court of Justice already has dynamited tradition with a ruling that has guaranteed free agency and free movement across European borders for athletes. This has invited the top clubs to begin assembling talent from every country in

In America/IAN THOMSEN

Super Bowl XXXII on Television

The Super Bowl XXXII on Jan. 25 begins at 7 p.m. EST. According to the NFL, it will be broadcast on the following countries:

Algeria: STV
Argentina: STV
Australia: STV
Austria: STV
Belgium: STV
Brazil: STV
Canada: STV
Chile: STV
Colombia: STV
Czech Republic: STV
Denmark: STV
Finland: STV
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Japan: STV
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Lebanon: STV
Malaysia: STV
Mexico: STV
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Oman: STV
Pakistan: STV
Peru: STV
Philippines: STV
Poland: STV
Portugal: STV
Qatar: STV
Romania: STV
Russia: STV
Saudi Arabia: STV
Singapore: STV
South Africa: STV
South Korea: STV
Spain: STV
Sri Lanka: STV
Sweden: STV
Switzerland: STV
Taiwan: STV
Thailand: STV
Turkey: STV
Ukraine: STV
United Arab Emirates: STV
United Kingdom: STV
United States: STV
Uruguay: STV
Venezuela: STV
Yemen: STV
Zimbabwe: STV

Penguins Stymie Devils With Barrasso's 24 Saves

Tom Barrasso made 11 of his 24 saves in the third period, helping the Pittsburgh Penguins hold on for a 3-2 victory over the New Jersey Devils.

Jaromir Jagr and Stu Barnes each had a goal and an assist, and Kevin Hatcher also scored for Pittsburgh, which has won the last two meetings after losing five straight to New Jersey.

Barrasso came up with several spectacular stops in the final period Thursday night after the host Devils closed to within one goal after Scott Niedermayer scored with 12:13 remaining.

Maple Leafs 3, Blackhawks 0 In Chicago, Felix Potvin stopped 23 shots for his second consecutive shutout, and Mats Sundin had a goal and an assist to lead the Toronto Maple Leafs past the Blackhawks.

Mighty Ducks 4, Avalanche 3 In Denver, Paul Kariya recorded a goal and two assists and linemate Teemo Selanne added three assists as Anaheim survived a late rally and snapped a seven-game losing streak against the Avalanche.

SCOREBOARD

ICE HOCKEY

NHL STANDINGS

Team	W	L	T	Pts	GF	GA
New Jersey	11	7	1	23	65	58
Pittsburgh	11	7	1	23	65	58
Washington	10	8	2	22	56	53
N.Y. Rangers	10	8	2	22	56	53
Florida	10	8	2	22	56	53
N.Y. Islanders	10	8	2	22	56	53
Toronto	10	8	2	22	56	53

NBA STANDINGS

ATLANTIC DIVISION

Team	W	L	Pct
Atlanta	25	13	.659
New York	23	17	.575
New Jersey	23	17	.575
Washington	21	21	.500
Orlando	19	23	.452
Charlotte	13	29	.311

EUROLEAGUE

GROUP 1

Team	W	L	Pct
CSKA Moscow	10	4	.714
Barcelona	9	5	.643
Real Madrid	8	6	.571
Bayern Munich	7	7	.500
ASVEL	6	8	.429
Partizan	5	9	.357

TENNIS

AUSTRALIAN OPEN

Round	Winner	Score
First Round	Andre Agassi	6-4, 6-2, 6-4
Second Round	Andre Agassi	6-4, 6-2, 6-4
Third Round	Andre Agassi	6-4, 6-2, 6-4
Fourth Round	Andre Agassi	6-4, 6-2, 6-4
Fifth Round	Andre Agassi	6-4, 6-2, 6-4
Sixth Round	Andre Agassi	6-4, 6-2, 6-4

CRICKET

WEST INDIES VS. NEW ZEALAND

Team	W	L	T	Pts
West Indies	1	0	0	2
New Zealand	0	1	0	0

THE WEEK AHEAD

SATURDAY, JAN 24

Event	Time
Boxing	10 p.m.
Baseball	7 p.m.
Hockey	7 p.m.
Soccer	8 p.m.

SUNDAY, JAN 25

Boxing

Event	Time
Boxing	10 p.m.
Baseball	7 p.m.
Hockey	7 p.m.
Soccer	8 p.m.

THURSDAY, JAN 29

Boxing

Event	Time
Boxing	10 p.m.
Baseball	7 p.m.
Hockey	7 p.m.
Soccer	8 p.m.

BASKETBALL

MAJOR COLLEGE SCORES

Team	W	L	Pct
UConn	25	13	.659
Duke	23	17	.575
Kentucky	23	17	.575
North Carolina	21	21	.500
Arizona	19	23	.452
Stanford	13	29	.311

SKIIING

WORLD CUP

Event	Winner	Score
Downhill	Andre Agassi	6-4, 6-2, 6-4
Super-G	Andre Agassi	6-4, 6-2, 6-4
Slalom	Andre Agassi	6-4, 6-2, 6-4
Giant Slalom	Andre Agassi	6-4, 6-2, 6-4
Bob	Andre Agassi	6-4, 6-2, 6-4
Curling	Andre Agassi	6-4, 6-2, 6-4

SOCCER

WORLD CUP

Event	Winner	Score
Downhill	Andre Agassi	6-4, 6-2, 6-4
Super-G	Andre Agassi	6-4, 6-2, 6-4
Slalom	Andre Agassi	6-4, 6-2, 6-4
Giant Slalom	Andre Agassi	6-4, 6-2, 6-4
Bob	Andre Agassi	6-4, 6-2, 6-4
Curling	Andre Agassi	6-4, 6-2, 6-4

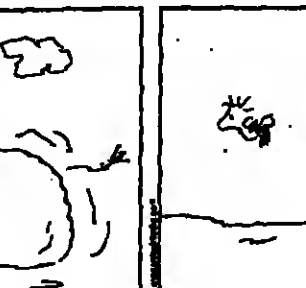
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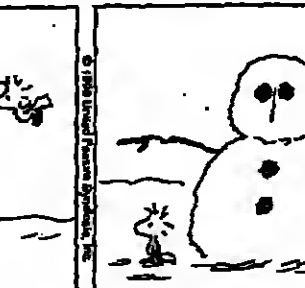
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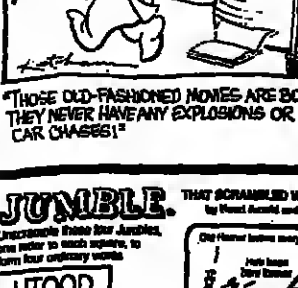
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EDUCATION



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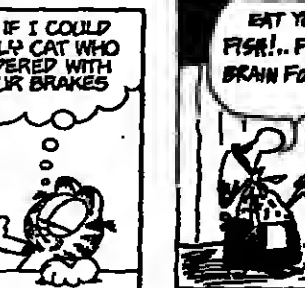
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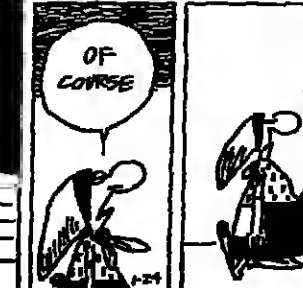
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